2021
survey report

The open banking revolution

tink

Foreword

by **Daniel Kjellén,** Tink CEO

Ever since Fredrik Hedberg and I came together to launch Tink in 2012, we've been on a mission to enable a new world of finance. Initially we did this by trying to provide our own direct solution to consumers, but then we realised we could have a far greater impact by partnering with banks and other financial institutions.

Since then, the world has changed a lot. Open banking has emerged in every segment of the financial services industry as one of the key trends that will dictate what the future looks like. And this is to no one's surprise. Regulations to control the access to accounts have been introduced (and more are coming), banks now deliver developer services, and customers have become more and more demanding.

We're thankful that we have the trust of the millions of people who use Tink-powered open banking capabilities every single day.

We're especially grateful that some of Europe's largest banks — such as ABN AMRO, BBVA, BNP Paribas, Santander — have selected us as their open banking technology partner. Together we are shaping a new world of finance that is bringing benefits to businesses big and small, simplifies everyday life for all of us.

In this report, as we've done in the past few years, we look at how the sentiment towards open banking is evolving and gauge where we stand today. What we especially want to know is what the impact of change will be.

Is it an industry evolution or revolution? As you may have guessed, financial executives believe open banking will change the industry inside and out.

Enjoy the reading and we look forward to hearing your thoughts.

This report presents results from a survey conducted by independent research firm YouGov (commissioned by Tink). We take a closer look at some of the attitudes towards open banking and why financial executives now consider it a revolution for their respective industries.

In this report

Executive summary

In the year of 2021, open banking is more popular than ever. The share of executives showing a positive sentiment towards open banking increased from 55% in 2019 to 71% in 2021.

More importantly, it is now widely considered a higher priority area with 8 out of 10 financial executives (83%) saying that it is having a revolutionary effect on the industry – opposed to only 1 out of 10 (10%) stating that it represents an evolution (remaining respondents being neutral).

These two insights imply that we will see **even more large transformational projects related to open banking coming** from banks in the upcoming years, rather than a continuous flow of smaller incremental changes.

As part of this transformational change, third-party providers (TPPs) continue to maintain an important role ever since banks published their first application programming interfaces (APIs) under the revised payment services directive (PSD2) in 2019. The past years have seen a big surge in the number of TPPs active in this space, with more than 497 TPPs registered across the United Kingdom and European Economic Area by mid-2021 – a year-over-year growth of +53%.

Unsurprisingly, executives position open banking as a strategic enabler of great importance for their digital roadmaps, and the largest portion (almost 40%) expect their organisation to realise their current open banking agenda over the next 5-10 years.

The perception of open banking as an enabler derives from the fact that it is seen as a means to an end for many of the digital transformation objectives that banks push towards. Executives emphasise three key areas in particular for open banking to enable:

1. Enhancing the customer experience
2. Launching new digital services
3. Increasing revenue

Besides these three objectives, we also see that the more mature financial institutions tend to also add objectives related to compliance, risk exposure and streamlining operational processes such as underwriting.

Lastly, the open banking innovation will also capitalise on new emerging themes on the horizon. Open banking archetypes indicating how to proceed as well as industry trends like open finance – which extends data accessibility to a wider range of financial products – are now being more actively explored by financial institutions and national regulators, and are perceived as key for realising the full long-term potential of open banking.

Embracing the open banking shift

Open banking has gained immense popularity over the past few years. At its core, it's all about empowering choice, competition and innovation by democratising access to the customer's financial data and services.

It's about customers giving consent to their trusted TPPs to access information about income, expenses, savings, loans and other details that may rest with their bank or financial service provider.

This movement was originally met with skepticism by banks, but the past few years have witnessed a radical change in mindset.

To understand how the sentiment towards open banking is evolving, we've been surveying European financial executives across different segments annually. This time, we also wanted to understand how they perceive open banking will impact the market.

The results show that **open banking is now being embraced across all corners of the financial services industry.** This year, the share of respondents that feel positive towards the open banking movement has increased by 10 percentage points and has grown from 55% in 2019 to 71% in 2021.

Executives are more positive towards open banking than ever before

Q. What is your general attitude towards the open banking movement?

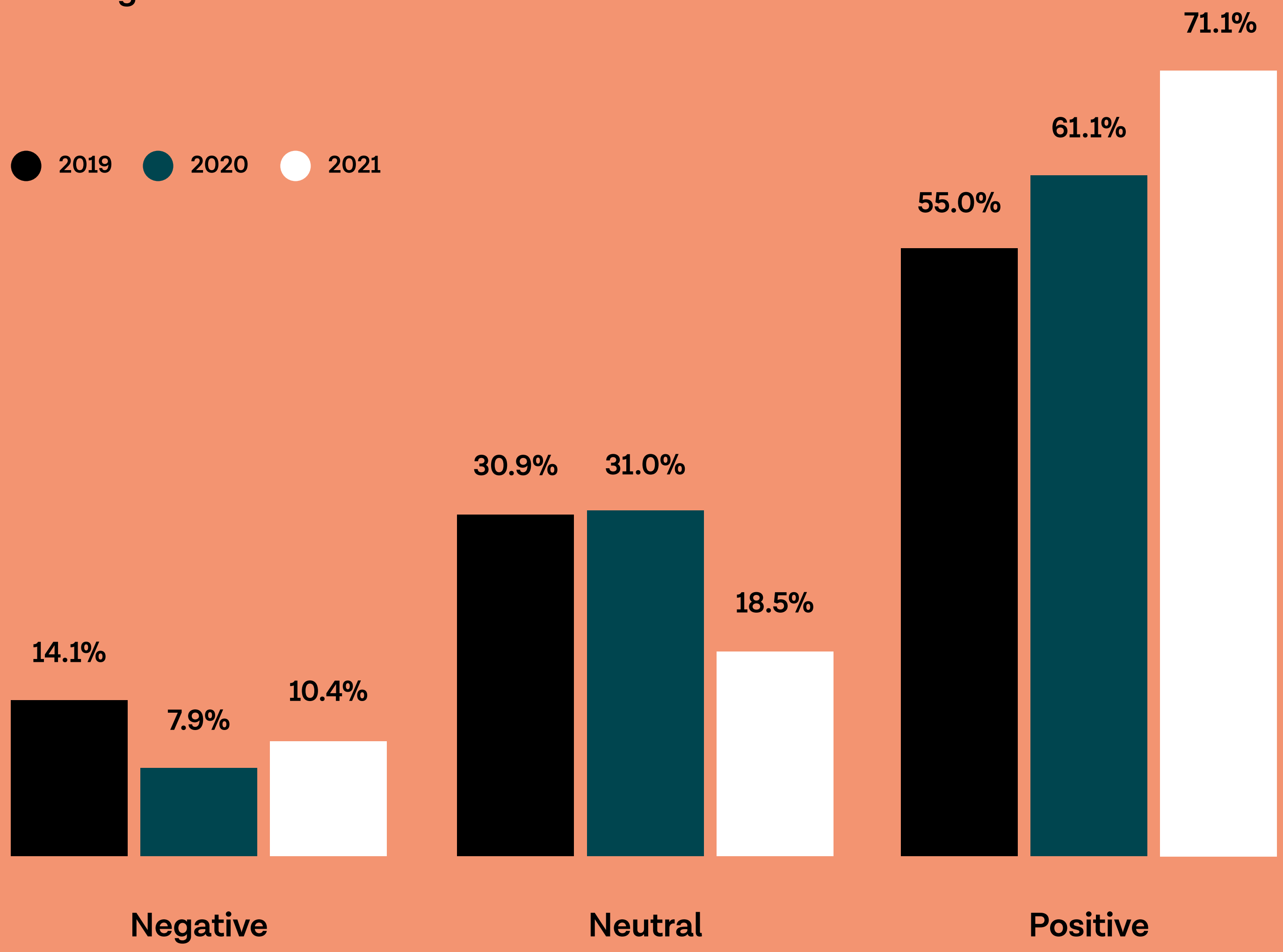


Figure 1
Note: Negative and positive responses have been grouped; n=308
Source: Tink, 2021

Country-level differences

From a country perspective, we see that Belgium (87.0%), the Netherlands (85.0%) and the UK (81.3%) count the highest number of bank executives that see open banking as a positive development – just like in last year's survey. These countries enjoy an active open banking ecosystem with innovative TPPs and financial institutions that are looking to benefit from the technology too. Industry associations such as PayBelgium and the PSD2 Software Industry Group in the Netherlands bring together local TPPs to share knowledge, discuss issues, and evangelise the opportunities of open banking.

Attitudes towards the open banking movement by country

Percentage of respondents that expressed feeling positive towards open banking.

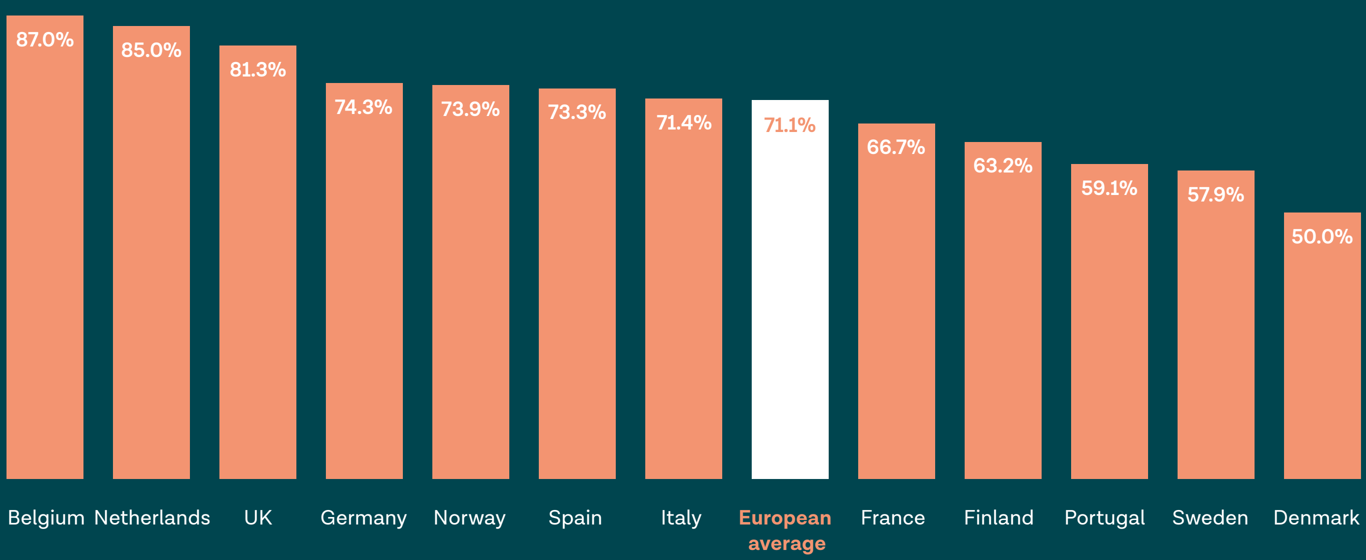
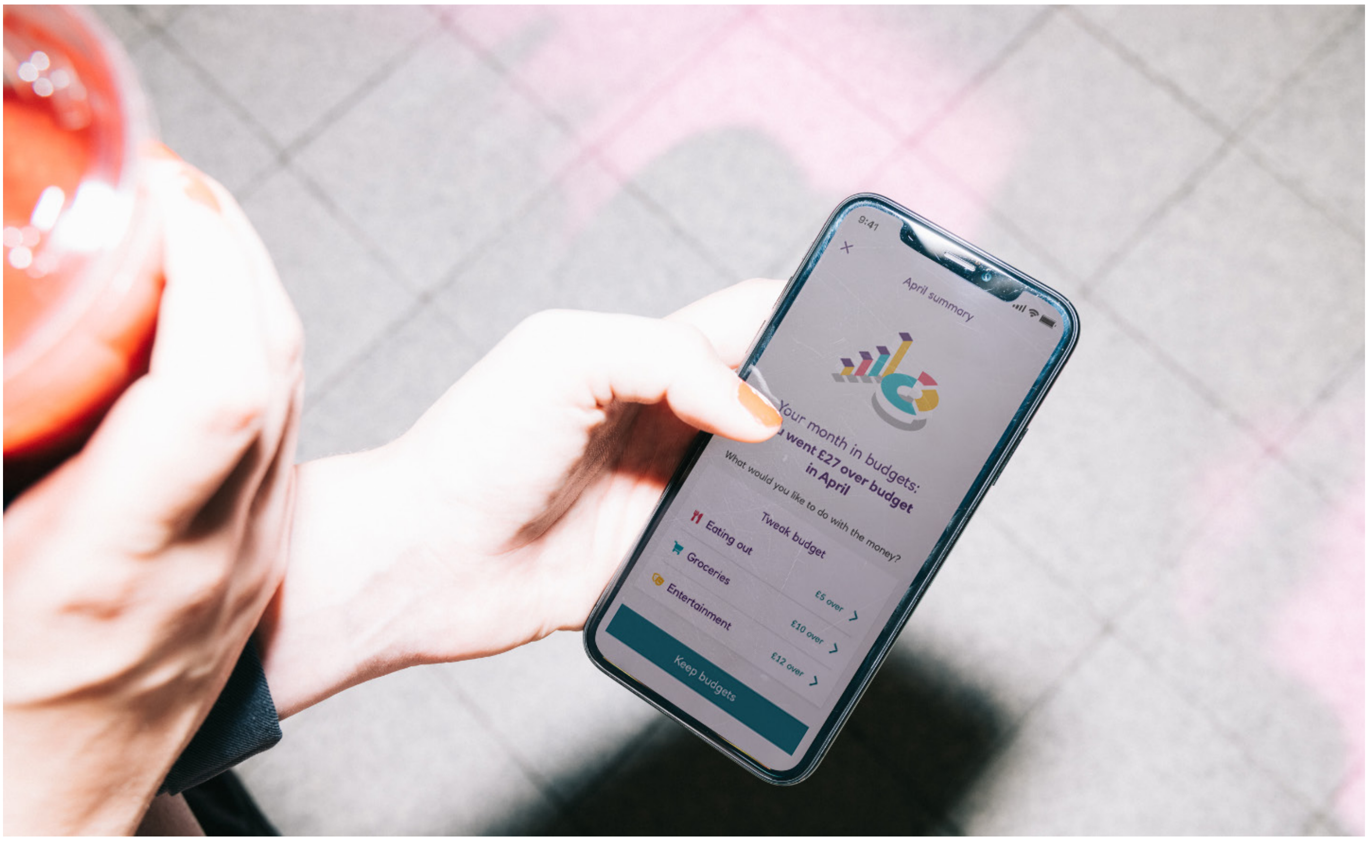


Figure 2
Note: n=308
Source: Tink, 2021



As one of the most mature open banking markets, the UK has taken ample efforts to educate decision makers on how open banking can deliver value to the market. Many incumbent banks in the UK have launched solutions that leverage open banking technology and are actively exploring how open banking can help protect and grow market share. A good example is NatWest's Spending feature.

Countries where the positive sentiment is less strong are Portugal (59.1%), Sweden (57.9%), and Denmark (50.0%). Portugal and Denmark have consistently recorded a weaker sentiment towards open banking than other European countries (they also ranked lowest in 2019). These countries are characterised by a stable banking environment where open banking may often be considered a compliance issue.

Executives recognise open banking as a revolution

Together with the more positive outlook, executives are starting to see that opening up data and services to TPPs will allow the forward thinking banks to win customers who crave better digital experiences or more personalised services.

In fact, our 2021 survey finds that a whopping 82.8% of financial executives believe that open banking is causing a revolution in the industry, compared to only 10.1% who believe it's an evolution that will only have an incremental impact.

For a large part, regulations that have been put in place to foster innovation and competition in the market are driving this perception.

The UK and the European Union (EU) were first to adopt such legislation, which ensured transparent, secure and controlled access to payment accounts. Specifically, the revised payment services directive (PSD2), enforced in 2016 and transposed by most member states in 2018, and the regulatory technical standards for strong customer authentication and open standards of communication, enforced in 2019, have fundamentally changed the nature of the banking industry.

Open banking widely perceived as a revolution

Q. Do you see open banking as an evolution or revolution for the industry?

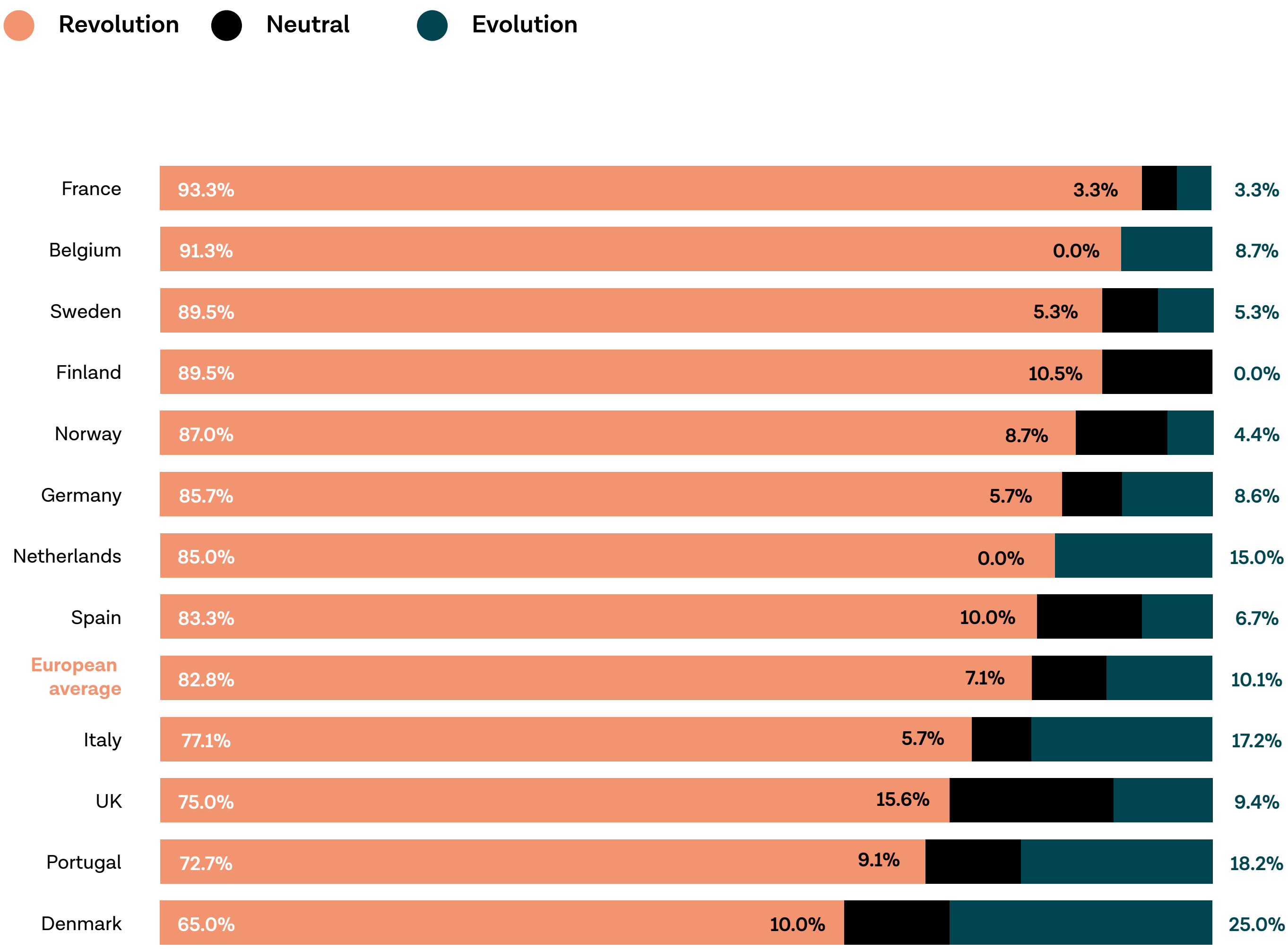


Figure 3
Note: n=308
Source: Tink, 2021

Regulatory movement resulting in rapid rise of TPPs

Besides improving consumer protection and increasing security over payments, PSD2 introduced two types of TPPs that would operate under the supervision of the financial authorities: account information service providers (AISPs) and payment initiation service providers (PISPs).

With consent from the user, financial institutions operating as such entities are authorised to either access the user's payment account in order to retrieve the customer's data or to initiate a payment to a specific destination.

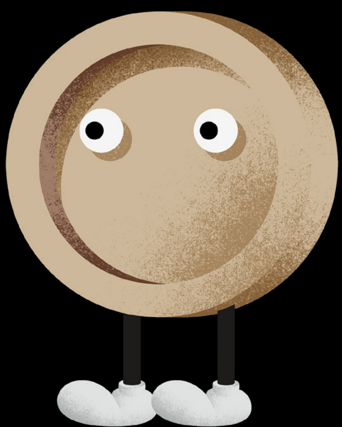
But even before PSD2 was enforced, many businesses were already operating as AISPs and PISPs in Europe. Bankinter, a large retail bank in Spain, launched one of the first account aggregation solutions in Europe back in 2001.

In 2002, the UK's first internet bank, Egg (acquired by Yorkshire Building Society in 2011) launched an online money manager letting customers view and manage their bank, savings and credit card accounts (including those held with other providers), on a single web page.

In 2005, Sofort GmbH (acquired by Klarna in 2014) started using the same technology to initiate payments in Germany. Within a couple years, Sofort counted more than 20 million payment users across Europe.

While some TPPs have existed for decades, the legitimisation of open banking by regulators has sparked a new generation of TPPs that are coming up with new use cases benefitting both businesses and consumers.

By the end of June 2021, the UK and European Economic Area (EEA) counted 497 registered and authorised TPPs – up 53.4% year-over-year.



Sharp increase in number of TPPs in the UK & EEA

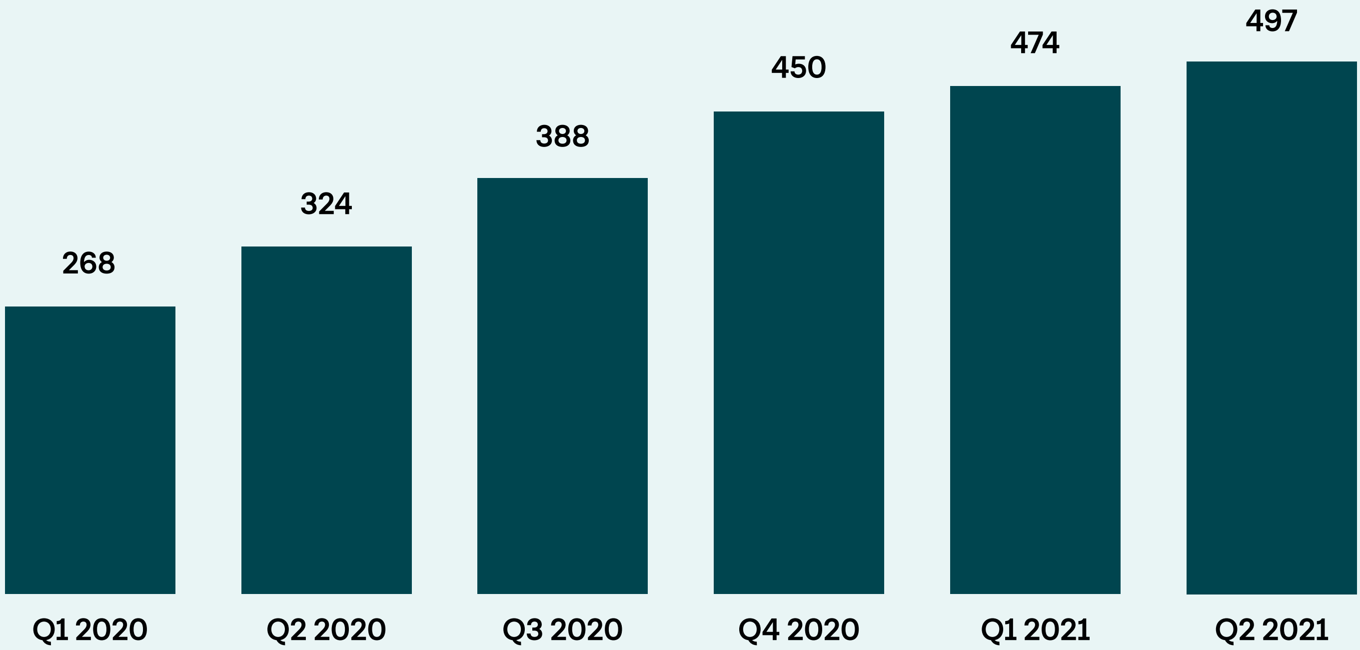


Figure 4
Source: EBA, Tink, July 2021

A movement that will benefit every segment of the industry

Financial executives in general aren't just positive about open banking for their own organisation (55.8%), the majority (60.1%) also see benefits for the entire industry. But, when looking at the results from an industry segment perspective, some differences can be unveiled.

Topping the chart, mortgage providers reported the highest relative optimism for their industry compared to their own business. In that segment, 4 in 5 executives (81.8%) see open banking as positive to the industry compared to less than half (45.5%) seeing the upside for their business.

Positive views shared across most segments

Percentage of respondents that consider open banking positive for their business vs the industry as a whole.

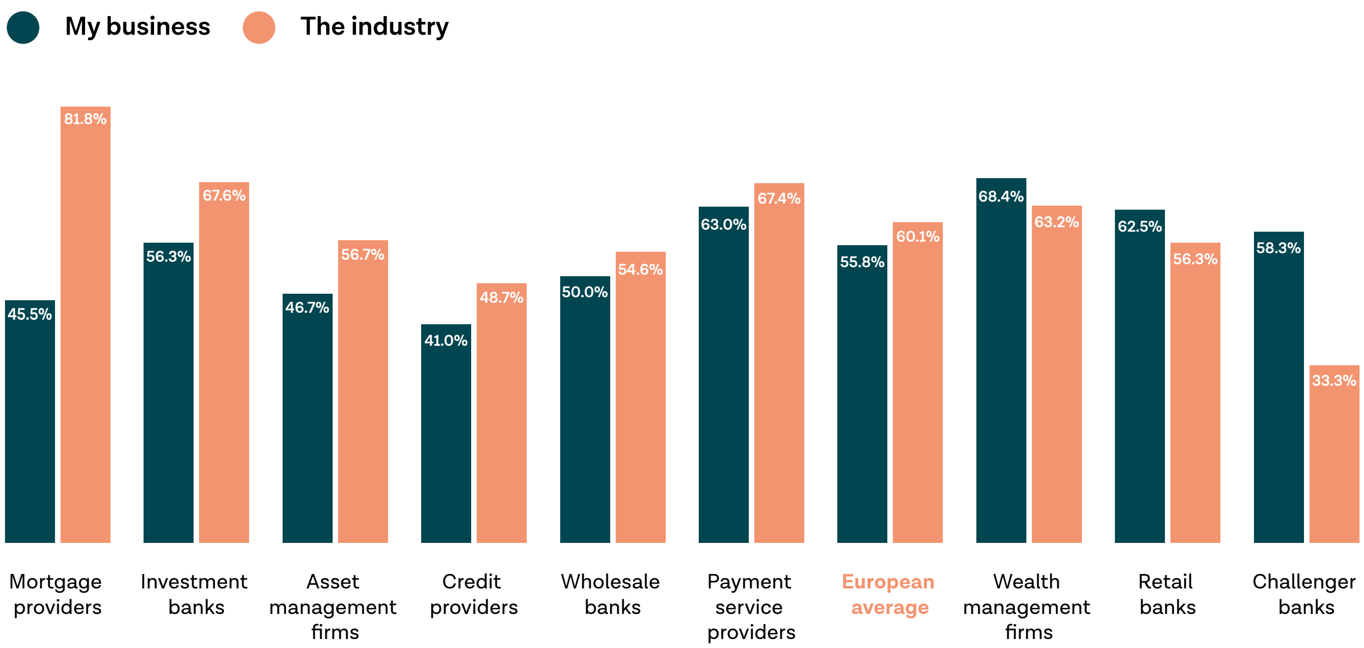


Figure 5
Note: Results are ranked by the delta between 'my business' and 'the industry'; n=298
Source: Tink, 2021

Mortgage providers may see that open banking could present risks to their business as competitors use open banking technology to attract and convert new customers, accelerate customer due diligence processes, and improve credit risk assessments. It's well known that open banking has the opportunity to lower the barriers of switching, which is especially dangerous for stable revenue-generating businesses. Of course, mortgage providers can also use this to their advantage – like Sweden's SBAB, who created a Mortgage Match comparison app to attract new customers.

On the other end of the spectrum, respondents from both retail banks and challenger banks expect that they are most likely to gain an advantage from open banking technology. While 58.3% of challenger banks see that it will be positive for their business, only one-third (33.3%) believe that their industry will be able to benefit from the movement. Retail banks appear to feel the same way, although the gap isn't as big between the perceived benefits for the business (62.5%) and industry (56.3%).
Challenger banks tend to be tech-savvy and first-movers when it comes to the development of new digital solutions and experiences. There are already countless examples of challenger banks that have successfully deployed open banking use cases for their customers, such as Northmill in Sweden, Lydia in France and EVO Banco in Spain.

Of all the industry segments, respondents working in wealth management are most confident to benefit from open banking, although this isn't necessarily a surprise. Open banking will allow wealth management firms to get a broader and more accurate overview of their client's assets, liabilities and equity. In addition to providing customers an aggregated financial overview, helping clients achieve higher yields on their savings and carefully investing into a structured or diversified portfolio are some of the ways open banking can help these institutions improve their services and operations.

‘Open banking will increasingly automate financial services’

Who he is:
Pedro Tomé is the head of the Disruptive Innovation, Big Data and Advanced Analytics department at EVO Banco.

What he’s known for:
Pedro is a strong evangelist of data-driven business philosophy, has a Ph.D. in computer science and Telecommunication Engineering and has been working to change banking for the better.

Why we spoke to him:
Pedro is focused on the ‘data business’ of the bank. Open banking and big data ecosystems are close to his heart as he aims to create new capabilities and disruptive services that can be brought to the real world and impact the business.

How are you seeing the industry changing?

To understand how the industry is changing, I think we need to look at the spectrum of financial service providers. On the one end of the spectrum, we have the large and incumbent banks. They see a traditional market, with a traditional business and traditional customers. They don't see a need for innovation because the business model appears sound, revenues are stable, and profits are high.

On the other end of the spectrum, we have a new generation of neobanks. They operate in a very competitive space where there are many new market entrants. They are trying to win the hearts and minds of their customers by innovating quickly and creating the best customer experiences. These neobanks try to provide value even though their suite of financial services is extremely limited.

As a result of open banking, I believe financial institutions are quickly shifting towards the middle of this spectrum – which is exactly where EVO Banco is operating. At EVO we offer customers the confidence they need to trust us with their savings and investments while keeping up with the innovation happening in the market.

Open banking has given us an opportunity to create even more value for our customers by aggregating financial information across service providers. As a result, traditional banks are starting to notice that customers are leaving because they do not provide an experience on par with the rest of the industry. Meanwhile, neobanks see opportunities to use open banking to find associations with traditional banks too. This means the market is becoming hyper-competitive where financial institutions are trying to strike the perfect balance between what traditional banks and neobanks have to offer.

In the end, the customer wins. They will be able to access their financial services from anywhere. And differentiation? It will come from hyper-personalisation, moving money to benefit the customer, and anticipating financial needs.

How is EVO Banco responding to the open banking revolution?

At EVO, we are taking a staged approach to improving the customer experience with open banking.

Our first objective has been to provide a superior experience to our customers by integrating different data sets and services into the customer interface. We currently offer personal finance management with multi-banking and it has seen tremendous growth over the past 12 months.

The second step is to ensure our customers see EVO as their primary service provider for their financial needs. This means that we are not only enhancing our own digital services but also catering for the services offered across the industry. We want to be the go-to platform for our customer's financial needs. We believe that the more our customers engage with us, the more likely they will procure financial services from us.

Where do you see open banking heading?

I think open banking will increasingly automate financial services, where artificial intelligence anticipates the needs of the customer. For instance, automatically moving money to protect the user from overdraft, unnecessary bills, or late payments.

What's interesting is that we are primarily tracking 'engagement' as a measure of success, because it's a leading indicator for revenue. This means we look at new registrations, monthly active users, and the number of personalised insights generated. But in the future, we might need to start looking at other metrics as open banking will be automating activities that are currently done manually.

One thing I know for sure, 5 years from now we will be able to operate our finances from one place, we will be able to authorise transactions with biometrics, and financial institutions will be collaborating to take combined propositions to market – whether they're traditional banks, insurers, or mortgage providers.

What now, what next, where to?

With most financial institutions being bullish on the prospects of open banking for their business, they will be looking to generate a return on their investments in some shape or form. We know that financial executives have allocated huge budgets for their open banking programmes. Last year's survey found that the median investment by large banks is in the range of 50 to 100 million euros – a statistic that has since been confirmed over several executive discussions.

While the bulk of capital would be spent on the resources required to modernise IT systems, redesign core banking processes, and expose open APIs, it will also be spent to realise key open banking objectives.

But let's dig into that a bit further...

Open banking key to improving the customer experience

This year, we asked executives how important open banking will be in realising different business objectives. Although all items in the list provided have been selected by at least a quarter of the respondents as ‘extremely important’, the objectives financial institutions consider most important are improving the customer experience (35.7%), launching new digital services (35.1%) and increasing revenue (34.4%).

Investing in open banking use cases that contribute to these objectives are relevant to all financial institutions as they plough through their digital transformation strategies.

The bottom of the list ranks three objectives that are particularly relevant for advanced use cases – namely reduce risk exposure (28.6%), reduce operation costs (28.3%) and improve underwriting (25.7%). All types of financial institutions can leverage open banking to lower risk and realise significant cost reductions – even if these objectives appear to be out of scope for some lines of business.

However, the focus largely reflects an organisation’s open banking maturity. This is because use cases that would help realise these objectives would typically require processes to be redesigned to incorporate open banking data – whether it’s automating customer onboarding, streamlining customer due diligence, or removing the manual overhead from credit risk assessments.

Open banking objectives ranked as ‘extremely important’

Percentage of respondents who agree open banking will be 'extremely important' in realising these business objectives.

Figure 6
Note: n=308
Source: Tink, 2021

A gateway to massive changes yet to come

Over the coming decades, it's safe to assume that conversations will slowly shift from open banking, to open finance, to open data. These themes will act as tailwinds for open banking adoption and innovation.

The UK's Financial Conduct Authority closed its consultation on 'Open Finance' and published feedback statements where respondents have requested additional regulations. Similarly, the European Commission has announced it will propose legislation for an open finance framework by mid-2022, which will be coordinated with the review of PSD2 and in line with the EU Data Strategy, the upcoming Data Act, and Digital Services Act.

This means that even if the accumulated impact of open banking is considered a revolution to those operating in the industry itself, executives are facing a transition that will take many years to complete.

When asking executives directly, nearly a quarter (23.2%) indicate that their business will have completed its open banking objectives within the next five years. The most common view is that it can take up to ten years (39.9%), and the rest are convinced that it will take their business even longer (36.9%). Financial executives generally believe that it will take the industry longer than their own organisations, with 43.7% saying that it will take the industry more than a decade.

Whether driven by regulations or market demand, eventually open finance will encourage institutions to repeat what banks have done over the past few years under PSD2 – that is, publishing open APIs, nurturing a developer ecosystem, and investing in new use cases to create value for the customer.

Years for open banking to mature

Q. In how many years do you expect your business/the industry to complete all of its open banking objectives?

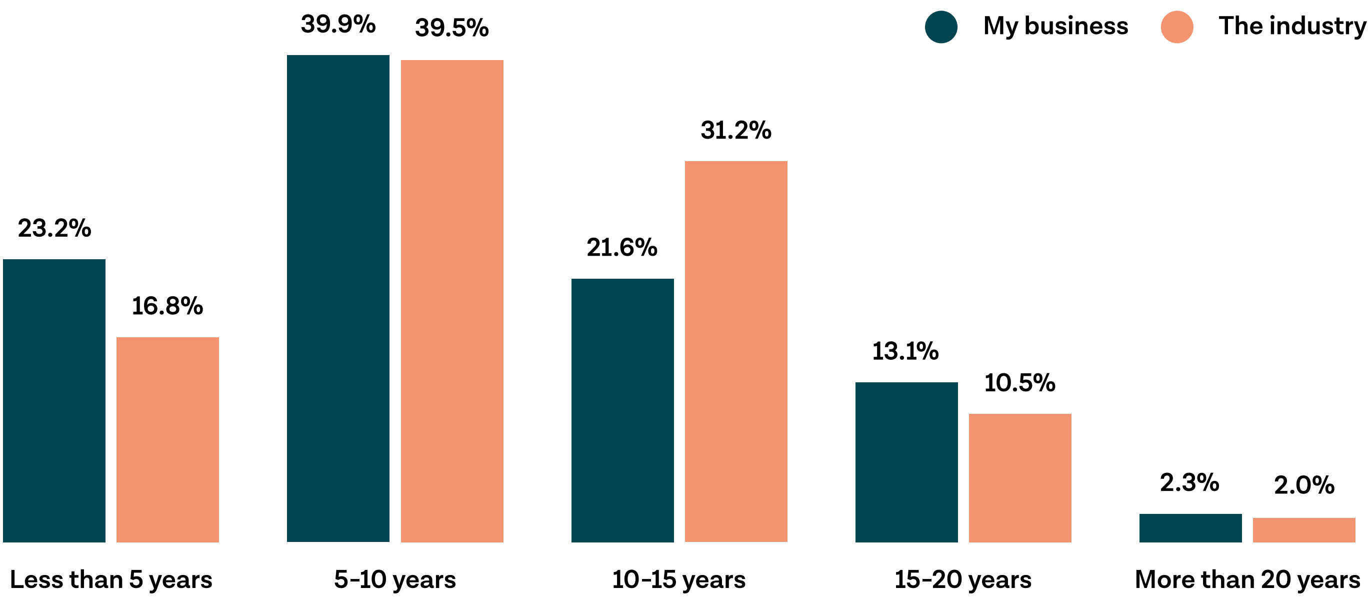


Figure 7
Note: Chart excludes respondents who answered "Don't know"; n=304
Source: Tink, 2021

The Tink Take

This expectation is in line with our experience at Tink – launching a plethora of open banking initiatives is not something that happens overnight. While there are many use cases that can deliver immediate business returns (no-code deployments of income verification products being a common example), to fully implement open banking, organisations need to set up and scale dedicated teams. Which can take months.

Then it’s about identifying where to start – whether it’s on the retail or corporate side of the business, or which step of the customer journey to tackle first – and setting up a sound plan for achieving it.

Emerging open banking archetypes

Ultimately, financial institutions are faced with the question on how they will interface with customers and TPPs in the future.

With the world increasingly shifting towards open APIs, there is value to be gained in both exposing and consuming APIs. In parallel, both digital transformation and open banking have unlocked opportunities to radically redesign the value chain of financial institutions, which may generate new revenue streams over time.

In other words, financial executives are at a crossroads. They can decide to continue to stay compliant or choose to explore new opportunities that have been unlocked by open banking.

Beyond the state of 'Compliant banking', there are three emerging archetypes that characterise financial institutions in the context of open banking.

Four open banking archetypes

	Controlling the value chain	Sharing the value chain
Consuming APIs	**Enhanced banking** Leveraging external APIs to optimise or enhance existing services.	**Banking-as-a-platform** Brokering external services by exposing offerings to your customers.
Exposing APIs	**Compliant banking** Giving external parties compliant access to your customer data and services.	**Banking-as-a-service** Enabling external parties to access your bank services to augment their own offerings.

Figure 8
Source: Tink, 2021

Of course, these archetypes are not mutually exclusive and on a company level we often see multiple archetypes simultaneously. They may address multiple archetypes to meet the objectives of different parts of the business.

For instance, at an incumbent bank the consumer finance arm may be focusing more on banking-as-a-service in order to enter new markets, while the mortgage business is looking at 'Enhanced banking' to accelerate the credit risk assessment.

Compliant banking

Being regulated, financial institutions that fall into jurisdictions where access to the customer's financial data or services is mandated will need to meet compliance requirements.

While most open banking regulations do not prescribe technologies or standards, they do require institutions to provide authorised TPPs access to accounts. Most banks have opted to provide APIs, through which authorised TPPs can identify themselves and retrieve a customer's financial data in a secure way.

Enhanced banking

With most financial executives seeing the benefits in open banking, it's hard to ignore the value that the nearly 500 European TPPs are bringing to market. Most financial institutions are authorised to enhance their banking services with open banking, often without needing to change their primary business model or additional licencing requirements.

TPPs have excelled in developing applications that improve micro segments of the customer journey – whether it's customer acquisition, hyper-personalised experiences, or loyalty. Executives will find that many of their existing digital services and operations that interface with the customer can be enhanced or augmented with open banking to increase revenue, reduce costs, and lower risk.

Ultimately, open banking is helping financial institutions recognise that their customers may be using providers who are working hard to improve the customer experience.

Banking-as-a-service

Going beyond the first two archetypes, financial institutions may choose to expose more services and data assets than what's available in the customer's account.

Banking-as-a-service (BaaS) describes financial institutions exposing their core services available as a utility for external parties, so they're also sharing the value chain. These services would often be positioned as premium APIs, which generate new revenue streams. In this model, financial institutions need to be careful when it comes to charging a premium for customer data as regulations may prohibit this.

The true value from BaaS comes from helping external parties create embedded finance experiences by enabling them to offer, leverage, or provision financial services via APIs in real time. Examples of financial institutions within this type of archetype include incumbents such as BBVA with its API Market in Spain, but also pure-play providers such as Solarisbank in Germany.

Banking-as-a-platform

Ultimately, financial institutions may choose to operate as intermediaries themselves. Not just to provide their own core banking services as a utility, but allowing TPPs to build products and services for their customers.

Banking-as-a-platform (BaaP) suggests that financial institutions can work together with TPPs to build a joint revenue-sharing proposition for customers in a much more affordable, scalable and impactful way.

BaaP isn't just about generating revenue, it's also a way for banks to build an ecosystem, form new partnerships, and reach new customers. For example, BNP Paribas group is pursuing what it calls the 'financial companion' model. That means the bank will strive to strike partnerships around the services that are relevant to its customers while forming close partnerships with fintechs in the industry.

The Tink Take

The archetypes that require institutions to share their value chains take significantly more time to capitalise and have yet to prove commercial success for large financial institutions. Therefore, the 'Enhanced banking' archetype with proven TPP use cases is currently the most competitive route. Focusing on low hanging fruit while maintaining control of the value chain should be considered one of the most important things to do.

‘There is no question that APIs are revolutionising the financial services industry.’

Who she is:
Kanika Hope is Chief Strategy Officer (CSO) at Temenos focused on developing market strategy for Temenos as well as on working on strategic opportunities with leading banks and financial institutions.

What she’s known for:
She has 25+ years of experience in banking technology and has pioneered technology innovation at well-known brands such as McKinsey & Company, SAP and General Electric.

Why we spoke to her:
As the CSO for one of the largest core banking technology providers, Kanika knows like no other what trends are impacting the financial services industry and what the future holds.

Where do you see open banking heading?

First of all, the surge in open banking was originally driven by regulation, not market forces. It was the EU's PSD2 and the UK's Open Banking CMA initiative that brought open banking to the forefront of the banker's mind.

That said, I think open banking is currently at an inflection point. The only way for it to truly succeed is by proving to the business that it is creating value for customers. Many consumer surveys indicate that people still don't always know what open banking means. It only becomes real after showing some of the value adding apps that are powered by open banking technology. This means that banks should not wait for their customers to demand open banking. They should use open banking strategically in their digital services and track how it improves business results by enhancing experiences, increasing conversion, and accelerating onboarding.

Looking forward, the next frontier for open banking is embedded finance. By now, customers have become comfortable with sourcing financial services from non-bank institutions. They understand that banks provide means to an end – it's not the loan, but the lifestyle or lifestage enabled by the loan that their customers are looking for. Platforms across all industries are starting to see this too and will be leveraging open banking to embed financial services into their core offerings.

What are some of the challenges facing banks today?

It sounds like a cliché, but banks simply have not kept up with the pace of innovation in the market. Banks are faced with a massive task of modernising their front and back-end IT systems, but they're also faced with cultures driven by a regulatory mindset rather than innovation as well as a shortage of digital talent.

I also think banks understand that the trust they command in customers is diminishing. Although they are still seen as the main custodians of wealth and data, the BigTechs — like Google, Amazon, Facebook, Apple — are rapidly becoming acceptable providers of financial services. As trust becomes more easily attributed to non-bank brands, the bigger the opportunity for embedded finance.

How should banks respond to these challenges?

There's no clear silver bullet. On the one hand, banks should be doing everything to upgrade their own digital services, but I believe they should also be exploring opportunities in the realm of 'banking-as-a-service' (BaaS). There is no question that APIs are revolutionising the financial services industry.

If banks don't adopt open banking practices, they risk becoming heavily disintermediated. Ultimately, whether they enhance their core offerings or launch a BaaS strategy, they cannot succeed without APIs, without data, or without the trust of the customers.

Take-aways for consideration

So executives are more optimistic than ever with the share of respondents who are positive towards the movement growing from 55.0% to 71.1% in the last two years. Not only that, 8 out of 10 see open banking as a revolution that is sweeping through the financial sector – one that will benefit their business as well as the industries they operate in.

However, with the outlook that open banking will take decades to mature, there should be an equal amount of uncertainty as confidence in where it's heading and which archetypes will be future proof. The most important objectives remain business-related with a strong focus on enhancing the customer experience, launching new digital services and increasing revenue.

Institutions that can translate the opportunity of open banking into a clear strategy will be in the best position to start realising its benefits. Here are some reflections on how to get there.

#1

Adopt use cases to enhance the customer experience

As financial institutions embark on their open banking journeys, it's now time to move beyond compliance efforts. If the movement is indeed the revolution that executives claim, the risk of doing nothing may be bigger than the risk of failing and trying again.

Sharing the value chain takes time and may potentially fail to deliver the results that have been promised. This is why 'Enhanced banking' is the safest and most strategic direction a financial institution can take today.

With nearly 500 European TPPs creating customer value, executives can look for inspiration on how they leverage open banking to improve the experience across different stages of the customer journey. There are already millions of people enjoying open banking enabled services, without even knowing it — be it by setting up a direct debit mandate in just a couple of seconds, or aggregating their financial lives into a single overview.

#2

Don't go looking for the killer app

The survey shows that open banking may take decades to mature. Which means that the killer app that will revolutionise the industry may still be out there.

With so much excitement over the prospects of open banking, it's important to keep in mind that using open banking to reinvent a process or launch a new service can be risky and should only be considered if the low-hanging fruits have already been picked.

Open banking use cases such as real-time insurance services or receipt management have not necessarily been proven yet, but automated onboarding, income verification and personal finance management have.

Ultimately, open banking is all about enabling data-driven banking. Executives therefore should explore how the usage of the customer's financial data can help improve, accelerate, and streamline decision-making processes, risk analyses, and the verification of identity, assets and liabilities.

#3

Partner for quick access to open banking capabilities

While financial institutions have obtained many new skills and knowledge about open banking, APIs, and cloud computing, the speed of innovation continues to be inhibited by forces of legacy, culture, and compliance processes.

Financial institutions looking to pursue open banking innovation programmes should always consider partnering with fintechs rather than developing these competences in-house. These partnerships can be incredibly strategic for both partners, but it is important to evaluate a potential partner's technology offering as well as its ability to deliver the support, security, and integrity a regulated institution requires.

About this research

For the third year in a row, we turned to independent market research organisation YouGov to conduct a wide-ranging survey on the attitudes and opinions towards open banking in Europe.

All interviews were conducted by YouGov between 25 February and 27 March 2021, and included 308 prominent financial services executives spread across 12 countries.

The participants answered questions through telephone interviews and an online questionnaire (all in local languages, to improve the validity of responses).

In order to be selected for the survey, participants needed to be i) senior decision makers or influencers, ii) employed by a regulated financial institution, iii) have confident knowledge of PSD2, and iv) have insight into the open banking investment plans.

Where are you based in terms of daily operations?

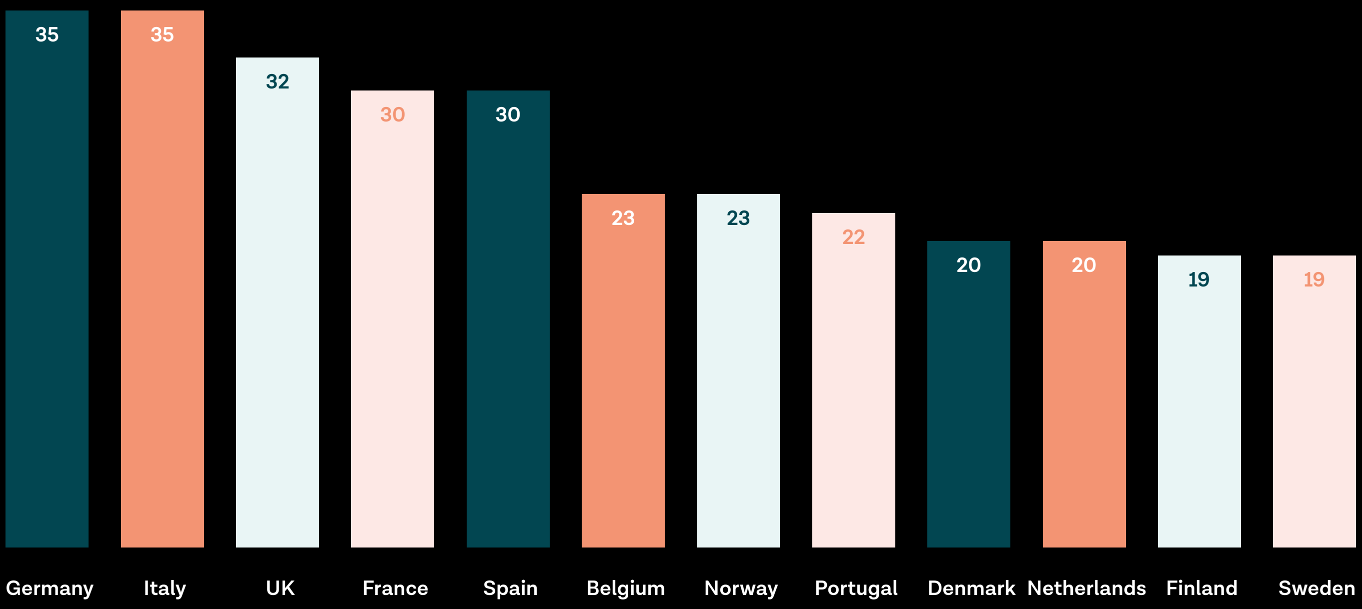


Figure 9
Note: n=308
Source: YouGov, Tink, 2021


LE STATIONNEMENT
EST INTERDIT SUR
L'ENSEMBLE
DE LA PLACE
Y COMPRIS
AUX 2 ROUES
JUMP
by Uber

Which of the following best describes your position within your organisation?

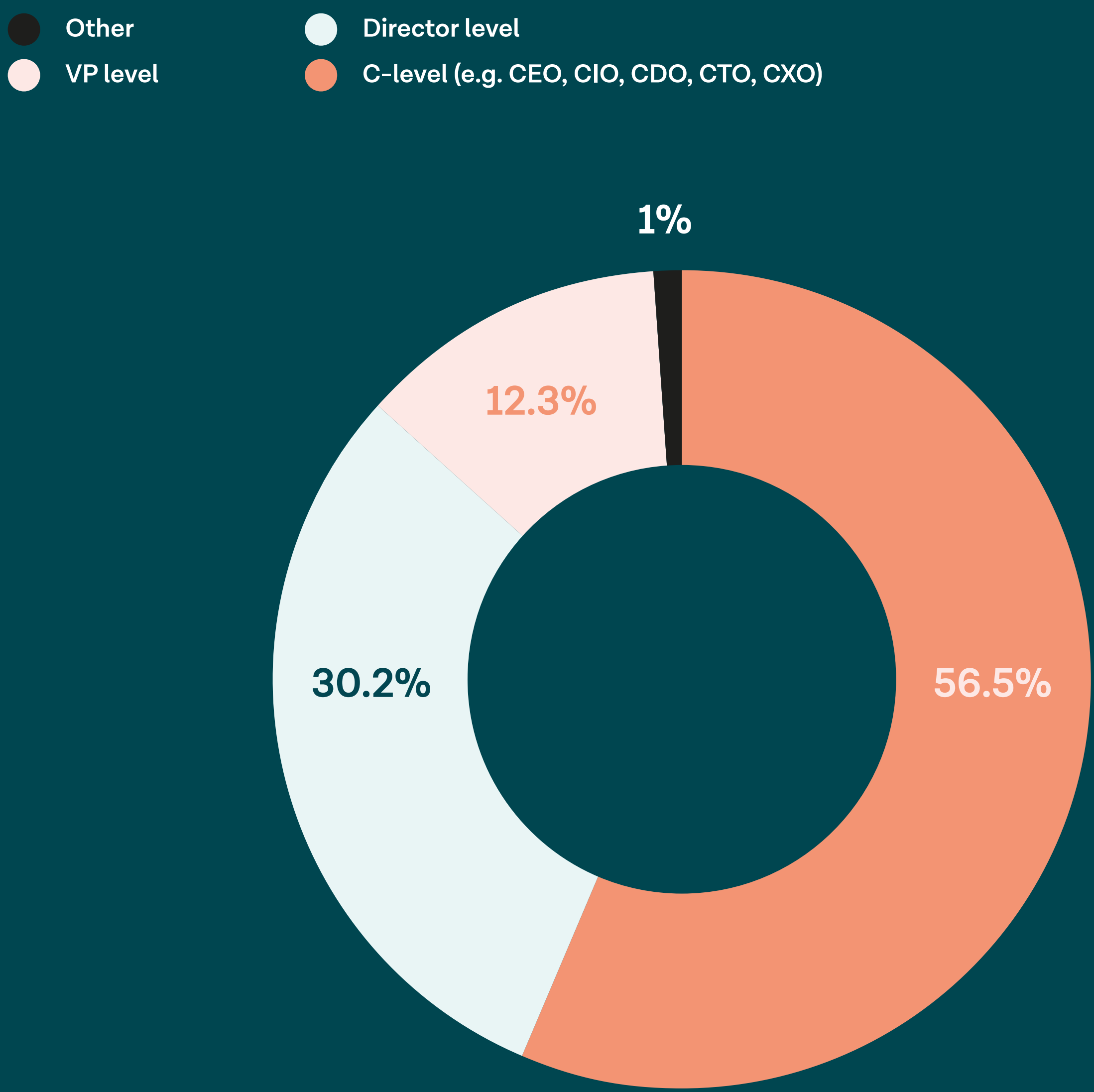


Figure 10
Note: n=308
Source: YouGov, Tink, 2021

What type of financial institution does your organisation represent?

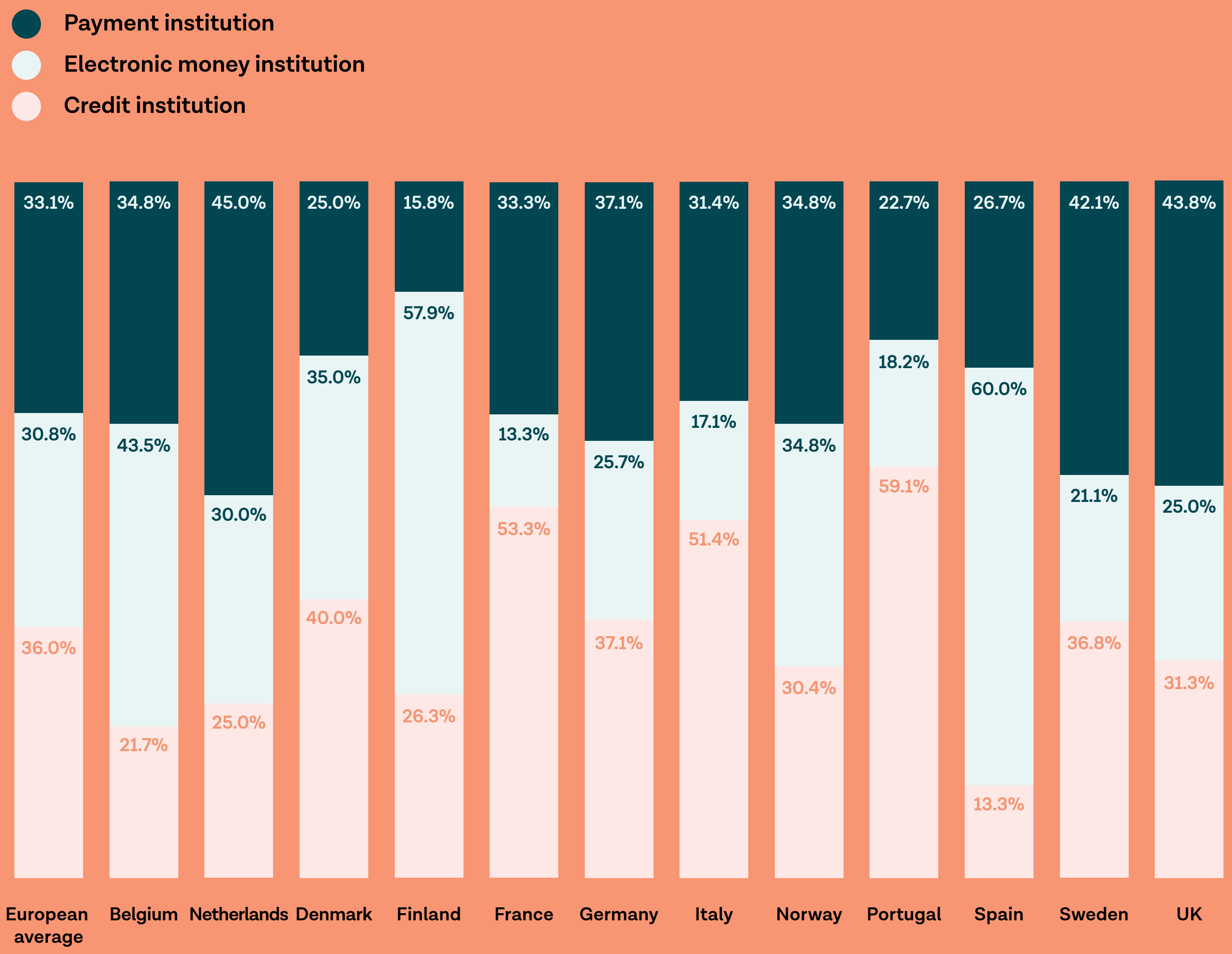


Figure 11
n=308
Source: YouGov, Tink, 2021

About Tink

Tink is Europe's leading open banking platform that enables banks, fintechs and startups to develop data-driven financial services. Through one API, Tink allows customers to access aggregated financial data, initiate payments, enrich transactions, verify account ownership and build personal finance management tools. Tink connects to more than 3,400 banks that reach over 250 million bank customers across Europe.

Founded in 2012 in Stockholm, Tink's 400 employees serve more than 300 banks and fintechs in 18 European markets, out of offices in 13 countries. We power the new world of finance.

More survey findings to come

This is the second report based on the findings from our 2021 survey. The first one, released earlier this year explores the role of open banking in the post-pandemic world. We have more insights coming your way too – stay tuned for our third report, where we'll dig into open banking investments and use cases.

If you want to throw yourself further into the world of open banking, go to our resources page for all our past reports, handy guides and other reading materials:

tink.com/resources

Join the revolution

We've been at this whole open banking thing for a while, yet we never tire of talking about it. If you have any questions, ideas, or just want to learn more or geek out about all the possibilities it brings – reach out for a chat:

partnerships@tink.com

Learn more at:

tink.com