

Impact of Open Banking in the UK

Rfi Group has recently analysed the impact of the new PSD2 Directive (**Open Banking**) in the United Kingdom. This initiative allows third parties to access a consumer's bank transaction history and balance with their consent. These third parties are then able to offer tailored products and services to consumers. The intent of the reforms was to enable innovation, transparency and competition in the financial services industry.

Rfi's analysis included the following observations:

- Almost a third of UK customers are very unlikely to permit the sharing of their personal information in this way, despite being informed that providers are unable to make changes to a consumer's account.
- Twice as many consumers strongly believe data privacy is more important than accessing better or more tailored products or services.
- 18% of consumers have used a third-party FinTech provider that uses Open Banking.
- Over half of UK consumers said that if they did take up new Open Banking services, they would consider their banks responsible for the security of their information, with trust cited as the primary barrier to using third parties.
- There are currently 57 providers that have used the Open Banking initiative, over a third of which are account providers with a banking licence. Some third-party providers have developed a wide range of products and services under the initiative, with some receiving particularly high acceptance.
- The UK's 9 largest banks are now legally required to share their data online with the authorised third-party providers upon the consumer's request. Several of these banks are embracing the innovation, capitalising on consumers' long-standing trust in their security features.
- No radical transformation has occurred since introduction, with consumers remaining largely unaware and somewhat skeptical of the benefits.

[Read the full analysis here](#)