



WHITE PAPER
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Open banking: The trust imperative

Open banking has been widely adopted by both businesses and consumers. For the ecosystem to continue its growth momentum, building trust is vital.



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Introduction

The open banking revolution is well underway. Today's digital consumer wants control of their finances; secure, convenient payments; seamless account opening; and loans approved instantly so they can plan their future.

Open banking makes this possible – and consumers are starting to embrace this option by consenting to securely sharing their financial data to access enhanced, personalized data and payment services.

With technology moving fast, financial services firms are already working on next-generation open banking solutions aimed at making our financial lives even more convenient and efficient.

Driven by these benefits, open banking adoption is accelerating among both businesses and consumers globally. But for this ecosystem to continue its growth momentum and truly flourish, building trust – in both the platforms and the partners providing services – is vital.

This is reflected in the findings from a new survey Mastercard and the Harris Poll conducted, aimed at gaining greater insight into business and consumer views of open banking. Conducted in the U.S., U.K., Nordic and Australian markets in July and August 2024, the survey delved into open banking usage and momentum; drivers and barriers to adoption; top use cases for today and tomorrow; and the most important factors when choosing who to do business with.

The research found that open banking growth is rapid and driven by convenience – with payments rising as today's top use case. Data security is the top priority for both consumers and businesses – with trust becoming increasingly important as they navigate the expanding open banking landscape.

As open banking takes shape in different markets across the globe, now is the time to understand what consumers really want from their financial services and embrace open banking solutions that offer growth to all players in the ecosystem, ultimately benefiting consumers and small businesses.

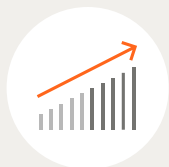
All statistics in this paper, unless otherwise noted, come from this survey.





Five key themes

The research highlights five key themes that paint a comprehensive picture of the current and future state of open banking. Open banking growth is rapid and driven by convenience – with payments rising as today's top use case. Data security is the top priority for both consumers and businesses – with trust becoming increasingly important as they navigate the expanding open banking landscape.



01 Growth is rapid

Open banking usage and momentum are high among both businesses and consumers



02 Payments are on the rise

Payments are today's top use case, with appetite for more sophisticated open banking applications



03 Convenience drives use

Convenience is a top motivator of open banking amid need for more efficient financial experiences



04 Security is crucial

Data security is a top priority for both businesses and consumers as they navigate open banking



05 Trust is vital

Trusted partners who prioritize security are central to open banking growth moving forward

01 Growth is rapid

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It's easy to understand why more than 100 million Americans have allowed third-party access to their data in exchange for better services.”¹

Jess Turner

Executive Vice Global Head of Open Banking and API,
Mastercard

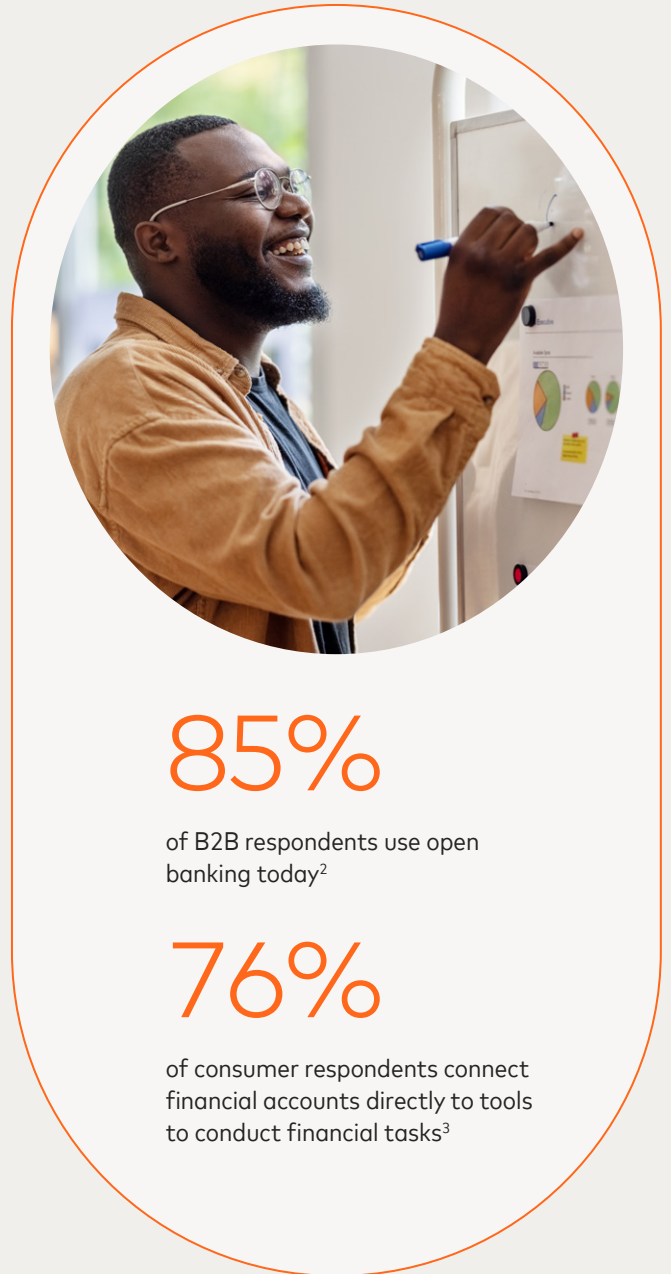
What we learned

Open banking has been widely adopted for both B2B and consumer users, amid a strong appetite for improved digital financial experiences – establishing this technology as a crucial component of future business growth.

- 93% expect industry momentum to increase in the coming five years
- 91% believe their firm's use of open banking will grow over that time
- 92% agree that “open banking is essential for future-proofing my organization”

What to consider

Open banking can be used as a critical business lever to meet B2C and B2B demand. By embracing open banking, businesses can navigate the future with a competitive advantage. While many businesses have already embraced open banking, there are still opportunities for growth, with a quarter of businesses reporting that they have not used open banking tools: 20% said their company was interested but has not yet begun adopting open banking tools, and 5% have no plans to use such tools.



1. Consumer Financial Protection Bureau

2. 92% Nordics | 89% AUS | 86% US | 75% UK

3. 80% US | 80% Nordics | 70% UK

02 Payments are on the rise

What we learned

The most popular open banking use cases today help simplify transactions, and there is a growing interest in using it for more sophisticated payments, account opening, lending and credit, as well as strategic financial management.

- The top B2B use cases are online checkout payments, credit card balance payments and transferring money between accounts. More than four-fifths of businesses say they would use data insights from open banking for financial management, business lending decisions and accounting.
- The top consumer use cases are sending or paying money to others and banking tasks such as transferring money between accounts. Consumers want open banking to further optimize personal finances and planning, and to receive personalized perks and advice. Some 58% of consumers would share their data with a trusted organization to get a more personalized experience.
- Younger consumers are driving open banking use across transaction types, with increased appetite for online shopping and loans. Gen Z leads usage, with 82% using open banking to pay bills and the same percentage using it to transfer money. Millennials (82% and 79%) and Gen X (81% and 79%) are not far behind in using open banking. And while boomers do somewhat lag younger generations in open banking usage, 71% of them use open banking to pay bills and 66% use it to transfer money.



93%

of B2B respondents agree, "Open banking makes financial transactions more efficient."



78%

of consumer respondents say having the ability to pay directly from their bank account is important when choosing where to shop or make payments online.

Top B2B open banking use cases

- #1 Online checkout payments
- #2 Paying credit card balance
- #3 Transferring money between accounts

Top consumer open banking use cases

- #1 Sending or paying money to others
- #2 Banking
- #3 Paying bills





What to consider

There is an opportunity for businesses to offer consumers the payment choice they demand so they always have their preferred method available. As open banking usage accelerates to simplify transactions, this cultivates comfort around more sophisticated transactions where open banking's connected ecosystem can drive further efficiencies.

Explore more

- [What is open banking? Your essential guide](#)
- [Priceless possibilities with Mastercard Open Banking](#)
- [3 ways open banking helps businesses to grow](#)

Appetite for more sophisticated **B2B payments** via open banking



87%

Recurring payments



86%

Invoices

Appetite for more sophisticated **consumer payments** via open banking



70%

Automate
financial tasks



59%

Online subscription /
recurring payments

Orange proof points come from B2B respondents and blue proof points come from consumer respondents.



03 Convenience drives use

What we learned

Across use cases, convenience is a compelling reason for consumers and businesses to leverage open banking with time savings ranking as the number one driver.

- The top B2B open banking benefits outlined are time savings, using real-time data to improve financial management, cost efficiency, improved access to credit and the ability to make more informed strategic decisions to reduce business risks.
- The top consumer open banking motivators are saving time, seamless payments, tracking transactions between accounts and tracking financial information in one place, saving money and facilitating simpler loan or credit applications.
- Convenience and an optimized experience are major drivers of open banking – 73% of consumers want more convenient financial experiences, while 93% of businesses acknowledge that serving customers greater convenience is critical to commercial success. Indeed, 71% of consumers would walk away from an online transaction that takes them to another platform to complete a payment.
- The efficiency of open banking is helping B2B users deliver improved business outcomes: 64% say open banking has helped improve profitability, and 63% say it has had a positive impact on revenue.

What to consider

Providers can tap into the near-universal appetite for better financial experiences by boosting awareness and understanding of open banking's potential time-saving benefits.

B2B users of open banking have noted positive business outcomes such as:

- #1** Profitability (64%)
- #2** Revenue (63%)
- #3** Strategic decision-making (63%)
- #4** Productivity (62%)

Consumer trust in financial institutions

93% of B2B respondents agree, "Facilitating convenient financial experiences for customers is critical to my organization's success."

73% of consumer respondents agree, "I am looking for more convenient financial experiences."

Consumer trust in financial institutions

92% of B2B respondents agree, "Open banking creates opportunities for improved financial experiences."

71% of consumer respondents will walk away from an online transaction that takes them to another platform or app to make a payment.



04 Security is crucial

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If the ecosystem works collectively to prioritize data privacy and security, we can engender confidence in the growing digital economy.”

Jess Turner

Executive Vice Global Head of Open Banking and API,
Mastercard

What we learned

As businesses and consumers navigate the expanding open banking ecosystem, security is a top priority. It is also among the top barriers to greater adoption.

- Security concerns are also the top barriers preventing even wider adoption among consumers with 33% concerned about their data being hacked.
- Other consumer security concerns reported: 27% worry about sharing personal or account information, 23% fear using bank login credentials to connect accounts, and 18% are concerned they will lose control over their financial information.
- Consumers need security, and merchants and issuers know they must provide that safety – 93% of merchants and 92% of issuers say they prioritize keeping customer data secure.



What to consider

Financial institutions and service providers should strive to allay security concerns from both B2B and consumers in this evolving industry by promoting the increased data control and transparency that are inherent characteristics of open banking.

All participating entities must uphold rigorous security standards to protect sensitive consumer information. This includes data encryption, multifactor authentication, and regular security audits to prevent unauthorized access.

It's also important to provide consumers control over their data by having the option to opt out of data-sharing arrangements at any time and being able to dispute or amend inaccuracies by contacting their financial institution or the service provider directly.

By empowering consumers with these rights, open banking ensures transparency and builds a foundation of trust.

Consumer trust in financial institutions

94% agree, "It's important to me that my bank is able to keep my financial information secure."

93% say the ability to keep their financial data secure is important when choosing a financial institution.

Consumer trust in merchants

93% agree, "It's important to me that online shops are able to keep my financial information secure."

86% will walk away from an online transaction that is not verified by a brand they trust.

05 Trust is vital

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Consumers must consent to unlocking new use cases and enhanced value under open banking. That's where trust comes in. Building trust through transparency is key to the future growth of the open banking ecosystem.”

Jess Turner

Executive Vice Global Head of Open Banking and API,
Mastercard

What we learned

Trusted partners who prioritize security are central to future open banking growth. Today, established banks and credit card companies are most trusted by businesses and consumers for having the expertise and innovation to lead in the space.

- Consumers trust sharing their financial data with banks (66%) and credit card companies (56%). The entities they most trust to protect account connections are credit card companies (50%).
- Businesses want open banking partners who prioritize trust and security. The top motivator for a business entering an open banking partnership is trust, followed by security. Similarly, the top barriers for a B2B respondent to working with an open banking partner are concerns about protecting customer data, followed by concerns about protecting company data.

What to consider

To build trust, open banking providers must continue to assure both B2B and consumer users that their data is protected and backed by an innovative partner who is always evolving to safeguard the ecosystem.

Open banking respects consumer privacy, requiring explicit consent before any data is shared. This consent-based model allows consumers to decide which financial information they wish to share and with whom, providing control over their personal data. In addition to granting consent, consumers have the ability to revoke it at any time, and can view a clear outline of how their data will be used within their financial institution's privacy policy.

By embedding these privacy safeguards, open banking prioritizes consumer protection and aligns with regulatory standards across markets, building trust across the ecosystem.

Top motivators for choosing open banking partners

#1 We trust the company

#2 Security capabilities

Top barriers to working with an open banking partner

#1 Concerns about protecting customer data

#2 Concerns about protecting company data



Conclusion

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Across the industry, we must work together to advance open banking in ways that responsibly support all parties in the ecosystem, ultimately allowing all boats to rise.”

Jess Turner

Executive Vice Global Head of Open Banking and API,
Mastercard

While the age of open banking is clearly upon us, there is still more work to do for the ecosystem to reach its full potential. More than anything, consumers want choice, control and enhanced, personalized experiences – but they need to trust that their data is protected before they consent to sharing it to access these innovative financial services. Without that trust, the survey reveals that customers and businesses will walk away from these relationships and find other financial partners.

With new regulations in Australia, Europe and the U.S. around open banking, now is the time for financial service providers to adopt best practices for privacy and security that will give consumers and businesses the confidence they need to share their financial information safely.

As financial companies navigate the growth of open banking across different markets, they'll need to find trusted, experienced partners to help ensure that consumer data is protected and give users access to the added-value services they deserve.

At Mastercard, we believe consumers and businesses should own their data and have the right to control it and benefit from it – and it's our duty to protect it. Our commitment to trust is embedded in our Data & Tech Responsibility Principles⁴. We maintain robust principles to hold ourselves to the highest standards of data and tech responsibility, with privacy and security at the heart of everything we do.

For financial service providers who deliver on this promise, the possibilities are endless.

Methodologies: 15-minute online surveys conducted by the Harris Poll on behalf of Mastercard from July 19 to August 7, 2024, garnering responses from more than 1,500 financial institutions, payment service providers/acquirers and merchants/billers as well as more than 3,000 consumers B2B survey sample: All B2B respondents are employed full-time in the industries noted below and have awareness of open banking, while all consumer respondents are adults 18+. To ensure respondents had experience with open banking to accurately answer survey questions about the topic, the markets chosen are ones that heavily lean into open banking. B2B audience included 1,511 responses among 601 financial institutions, 301 PSPs/acquirers and 609 merchants/billers from Asia Pacific (Australia), Europe/U.K. (comprising responses from the U.K. and Nordic countries) and the United States. Consumer audience included 3,007 responses, comprising 1,003 from the U.K., 1,004 from Nordics and 1,000 from the U.S. There was no consumer survey in Australia.

Page 5: Q110. To your knowledge, do any of the digital solutions your organization uses for these financial tasks allow you or your customers to share financial data / connect financial accounts to other platforms? (Global Total n=1,511) | Q120. Are any of the tools you use for these financial tasks connected to your primary financial accounts where you have logged into your online bank account from another app or service? (Base Varies) | Q120. How do you imagine your organization's open banking usage will change over the next five years? (Top 2 Box: Increase Significantly / Somewhat, Global Total n=1,511) | Q125. How would you describe the momentum of the open banking industry over the next five years? (Top 3 Box: Increase by 25% or More, Increase by 10-24%, Increase by 1-9%, Global Total n=1,511) | Q220. How much do you agree or disagree with the following statements? (Top 2 Box: Strongly / Somewhat Agree, Global Total n=1,511) IMC: GLOBAL FORESIGHTS, INSIGHTS & ANALYTICS: OPEN BANKING 2024

Page 7: Q120. Are any of the tools you use for these financial tasks connected to your primary financial accounts where you have logged into your online bank account from another app or service? (Base Varies) | Q170. How important are the following to you when choosing where to shop or make payments online? (Top 2 Box: Very / Somewhat Important, Global Total n=3,007) | Q205. How likely is your organization to use open banking for each of the following? (Currently Use, Global Total n=1,511) | Q220. How much do you agree or disagree with the following statements? (Top 2 Box: Strongly / Somewhat Agree, Global Total n=1,511) IMC: GLOBAL FORESIGHTS, INSIGHTS & ANALYTICS: OPEN BANKING 2024

Page 8: Q160/Q180. How much do you agree or disagree with the following statements? (Top 2 Box: Strongly / Somewhat Agree, Global Total n=3,007) | Q215. How do you believe open banking has impacted / could impact the following for your organization? (Positive Impact, Open Banking Users, n=1,291) | Q220. How much do you agree or disagree with the following statements? (Top 2 Box: Strongly / Somewhat Agree, Global Total n=1,511) IMC: GLOBAL FORESIGHTS, INSIGHTS & ANALYTICS: OPEN BANKING 2024

Page 9: Q160. How much do you agree or disagree with the following statements? (Top 2 Box: Strongly / Somewhat Agree, Global Total n=3,007) | Q175. How important are the following to you when choosing a financial institution? (Top 2 Box: Very / Somewhat Important, Global Total n=3,007) | Q180. How much do you agree or disagree with the following statements? (Top 2 Box: Strongly / Somewhat Agree, Global Total n=3,007) | Q220. How much do you agree or disagree with the following statements? (Top 2 Box: Strongly, Somewhat Agree, Base Varies) IMC: GLOBAL FORESIGHTS, INSIGHTS & ANALYTICS: OPEN BANKING 2024

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