

PRESS RELEASE

February 2021

Nearly half of businesses need more assurance on data security to adopt open banking

- Financial services businesses in the UK and Netherlands call for better education, training and increased guidance on data security issues to propel adoption
- Study of 800 senior professionals from banks, lenders, personal finance management tools (PFMs) and retailers, in the UK and Netherlands

London, 24th February 2021 – 42% of financial services businesses want better support and guidance on data security in relation to open banking, according to the latest research by open banking provider YTS.

The survey of financial professionals including banks, lenders and retailers, revealed businesses want better education and training, alongside increased guidance, to help reduce fears around the security risks of open banking adoption. Respondents also stated that they wanted this support to come primarily from regulators.

This ranked higher than taking a 'wait and see' approach by allowing more time for open banking technology to develop (39%), which has often been cited as a way to assuage data security concerns, but as YTS' data demonstrates, won't solve the issues businesses are facing.

Lack of customer and business willingness to accept risks around data security were the second and third most cited factors threatening the progress of widespread open banking adoption, on 27% and 25% respectively. Over a third of respondents (35%) also believe that an 'unfriendly' regulatory environment is threatening the progress of widespread open banking adoption.

YTS is calling for the entire open banking and financial services industry to do more to empower businesses to adopt open banking technology, creating a more nurturing environment for the technology to thrive. This can primarily be achieved by introducing better education and accessible, transparent support for businesses looking to adopt the technology. This must be the spearhead of an industry-wide effort to banish myths and create more solid foundations for growth.

Roderick Simons, Chief Technology Officer at Yolt Technology Services comments:

“To fully maximise open banking’s potential, we must all do more to educate businesses and consumers about its security foundation . Open banking means their financial data is more protected than ever, with the individual in charge of whether their data is shared or not and secure APIs preventing risks from unwanted third-party access. We want to work with regulators, financial services institutions, and businesses themselves to lead the way in educating, training, and supporting businesses to overcome misperceptions of open banking. Doing so will unleash the power of open banking and create huge opportunities for both consumers and businesses.

“Once there is widespread adoption and trust in open banking technology, stakeholders across the open banking ecosystem can then turn their attentions to creating an open finance framework that gives consumers the ability to access their entire financial footprint in one place.”

ENDS

--

Notes to editors:

About the findings:

Yolt Technology Services conducted a survey of 800 businesses in the UK and Netherlands in 2020 to establish the main concerns around data security in open banking. It contains proprietary research on business perceptions of open banking and data security risks, information on how the technology protects data at all stages of the process, and how addressing the education gap is a vital obstacle to overcome in the journey towards open finance. It is available to download here:

<https://yts.yolt.com/whitepapers/data-security-in-open-banking>

About Yolt Technology Services:

Yolt Technology Services unlocks its Open Banking expertise to other organisations through a single and secure API - building, managing, and maintaining AIS and PIS connections for top financial institutions and ambitious tech businesses. Yolt Technology Services is available throughout Europe and makes on average 25 million API calls each week, passing the 1 billion API call milestone in October 2020. Yolt Technology Services was recently recognised as the 2020 Alt-Fi Open Banking Provider of the Year.