Summary

EY’s UK FinTech Open Banking Snapshot gathers key statistics on approaches to preparing for open banking.

Our survey shows that FinTechs are enthusiastic about open banking, with 94% seeing it as a major area of opportunity. Eighty-one percent of respondents are actively preparing for the opportunities it presents and 29% consider themselves to be fully prepared. Firms highlighted their expectations of shifting competitive dynamics, in the form of greater collaboration with existing financial institutions and of new competitors entering the market.

However, there is work to be done to realise open banking’s full potential. Customer adoption is seen as the biggest challenge, so it is therefore unsurprising that FinTechs highlighted customer education as their top priority to make open banking a success. This is closely followed by a desire to see industry standards adopted beyond the CMA9 banks.

We are excited to share the analysis and insights from this survey, and believe it will serve as a useful reference for government, regulators and the wider sector.

Figure 1: Do FinTechs see open banking as an opportunity and are they preparing for it?

Figure 2: How are FinTechs reconsidering their competitive strategy?

Figure 3: How many staff members are working on open banking-related projects?

Forty-seven percent of respondents have one to five members of staff involved in developing open banking-related propositions.

Figure 4: Are FinTechs using open banking to enhance current services or build new services?

Figure 5: What customer propositions are FinTechs prioritizing?

Figure 6: What are the key challenges to realizing the benefits of open banking?

The majority of respondents stated ability to achieve customer adoption as the biggest challenge to realizing the benefits of open banking. This was followed by complexity of technical development work and identifying which customer propositions to invest in.

Note: the charts above are representative of all 31 respondents. The first two charts are based on the cumulative number of respondents who selected “Strongly agree” and “Agree” for the relevant question, therefore applying a higher level of confidence to being “fully ready” for open banking.
To find out more about our FinTech Open Banking snapshot and EY member firms’ services to FinTech organizations, please contact:

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Research methodology

EY conducted a survey of FinTech companies operating in the UK that received 31 responses:

- A list of FinTech firms was developed from existing contacts and invitees to the HM Treasury International FinTech Conference on 22 March 2018. These firms were invited to participate in the survey.
- No attempt was made to control for selection bias in those who chose to respond to the survey.
- The survey fieldwork ran from 6 March 2018 to 15 March 2018.
- Respondents were asked about their attitudes and approach to open banking.
- The questionnaire had 12 questions, with a range of free text, multiple choice, ranking and scoring questions.
- Once the survey was closed, a manual data cleansing exercise was undertaken, with final output based on analysis of the cleansed data.