

Open banking API calls – what lies ahead?

Will monthly open banking API calls reach 20bn by December 2022? Our data projections look at the possible scenarios over the next two years.

Since the implementation of PSD2 open banking a year ago, the number of Third-Party Providers (TPPs) across the EEA has more than doubled. Passporting 'rules' mean that these third parties can offer their services outside their 'Home' regulated country enabling them to take advantage of the opportunities this cross-border flexibility brings.

At the end of August 2020, every country in the EEA had at least 62 TPPs approved to provide services and monthly opening banking API volumes across the region reached an estimated 1.5bn.

This report analyses volumes over the next two years based on open banking adoption rates ranging from 5% to 20%, as well as looking at the time it will take selected countries to reach the numbers being reported in the UK today.

Methodology

- 1 All projections are based on UK API calls (AISP) as published by OBIE
- 2 Trajectories are based on the UK having a Payment Service User (PSU) adoption rate of 2% in June 2020 and a 5/10/15/20 % adoption rate by December 2022
- 3 Figures are based on June 2020 TPP numbers (including passporting data) for each country. These numbers are then cross-referenced with the month the UK had the equivalent TPPs – with the corresponding API calls at that point in time taken as the starting point
- 4 This establishes how far behind the UK each individual country is and represents each country's starting point with volumes extrapolated based on the UK curve
- 5 API volumes are adjusted in accordance with the population in each country
- 6 Figures are increased by 25% to reflect the whole UK market position (not just CMA9)
- 7 Monthly data points are provided from September 2019 until December 2022

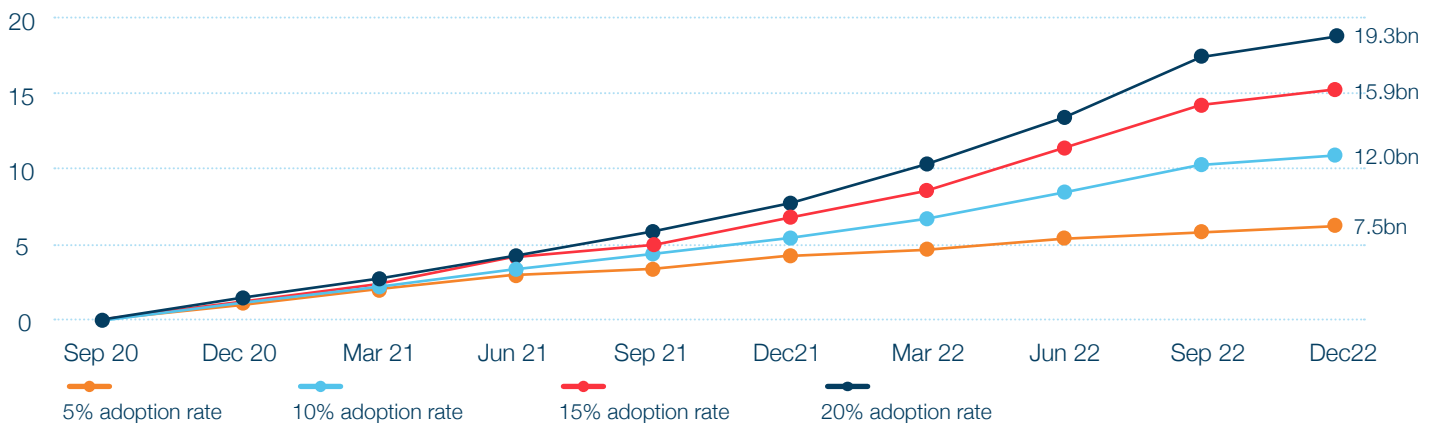
Key findings

- By December 2020, the total number of monthly API calls across the EEA is expected to reach between **2.8bn** (5% adoption rate) and **3bn** (20% adoption rate); with **Germany, France, the United Kingdom, and Italy** all experiencing over **300m** calls per month.
- By December 2021, **Germany, France and Italy** will join the **UK** in experiencing monthly volumes in **excess of 500m** (even with the lowest adoption rate of 5%).
- By December 2022, with our lowest projections of a **5%** adoption rate, **Germany** and the **UK** should be experiencing monthly transaction volumes in excess of **1bn**. If the adoption rate is as high as **20%**, **Spain, France, Italy and Poland** will also experience monthly volumes in excess of **1bn**.

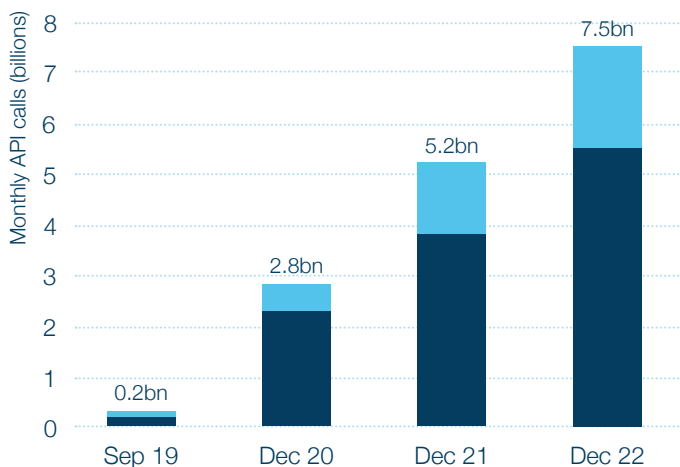
Adoption rates

5% adoption rate	10% adoption rate	20% adoption rate
By December 2022, the total volume of calls across the EEA is anticipated to be in excess of 7.5bn .	By December 2022, the total volume of calls across the EEA is anticipated to be in excess of 12.0bn .	By December 2022, the total volume of calls across the EEA is anticipated to be in excess of 19.3bn .
15 countries will be experiencing volumes of over 100m per month by the end of December 2022. For a Financial Institution with a 10%+ market share, this could mean 300k+ open banking API calls a day.	8 countries will be experiencing volumes of over 250m per month by the end of December 2022. For a Financial Institution with a 10%+ market share, this could mean 800k+ open banking API calls a day.	7 countries will be experiencing volumes of over 500m per month by the end of December 2022. For a Financial Institution with a 10%+ market share, this could mean 1.6m+ open banking API calls a day.
Selected countries would hit 1bn API calls by the following dates: the UK by March 2022, Germany by June 2022 .	Selected countries would hit 1bn API calls by the following dates: UK by June 21, Germany by Dec 21, France by June 22, Italy by August 2022 .	Selected countries would hit 1bn API calls by the following dates: UK by March 21, Germany by October 2021, France by March 22, Italy by April 22, Spain by July 22, Poland by October 22 .

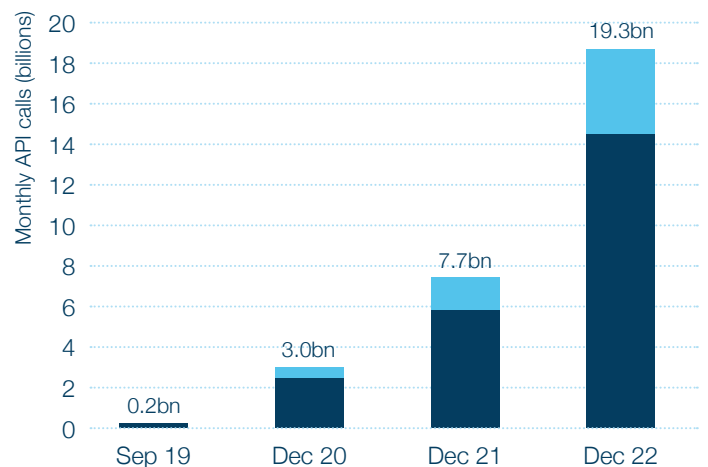
Pan-EEA monthly API calls (billions) to December 2022



Monthly API calls (billions) with a 5% adoption rate



Monthly API calls (billions) with a 20% adoption rate

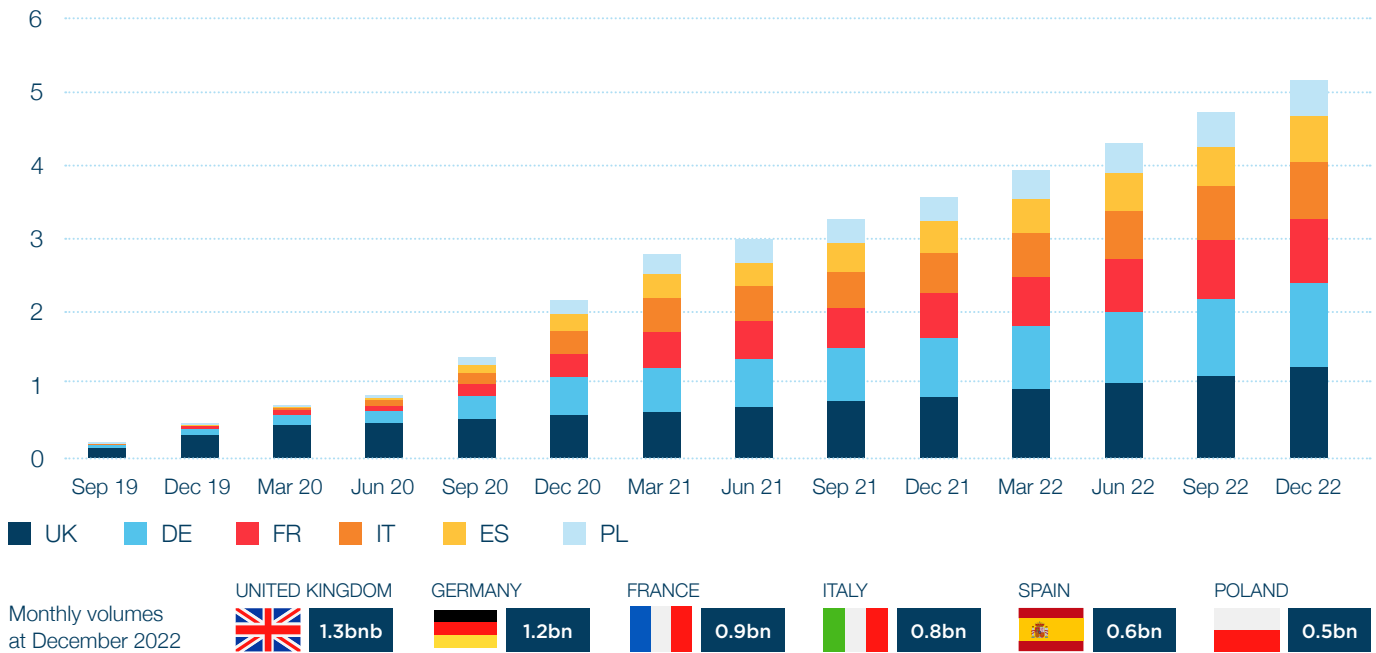


■ UK, DE, FR, IT, ES, PL ■ Rest of EEA

In September 2019, **the top 6 markets** (UK, Germany, France, Italy, Spain and Poland) make up **96%** of all transactions. However, by the end of 2022, their share ranges between **73%** (5% adoption rate) and **77.8%** (20% adoption rate) indicating that we are seeing the adoption of open banking in other EEA countries.

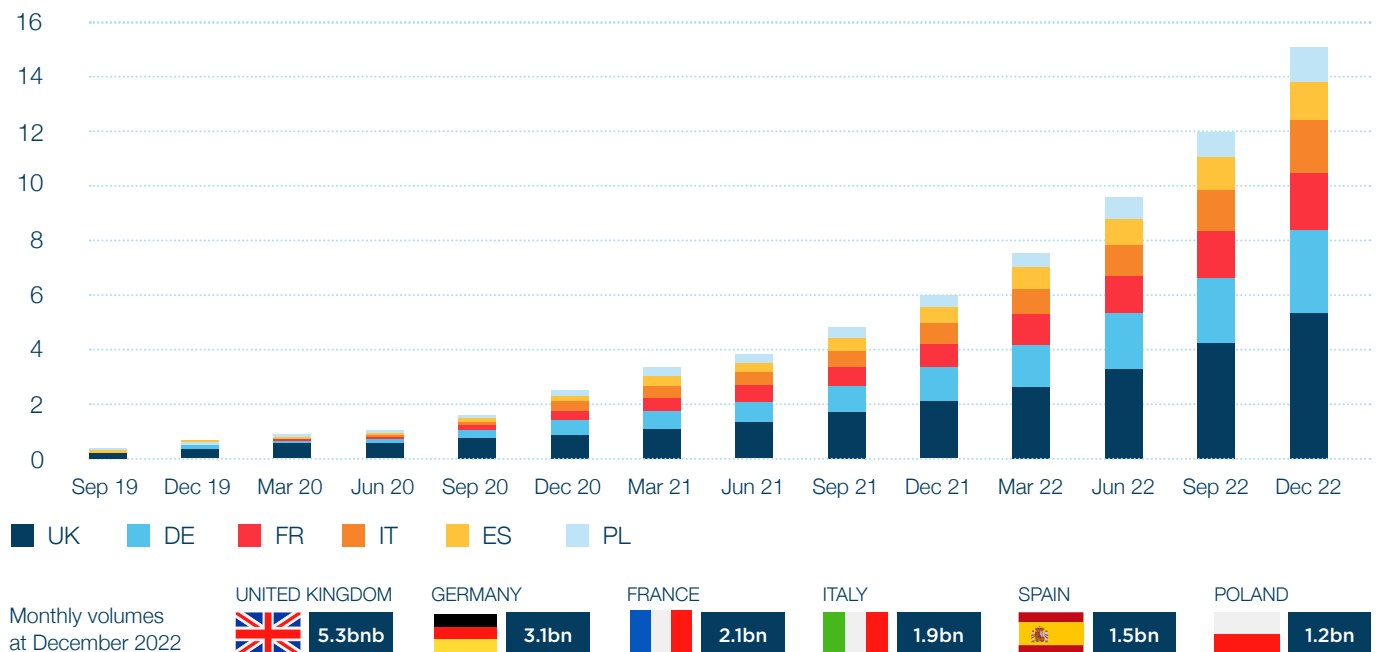
Top 6 markets:

Total Monthly API calls (billions) with a 5% adoption rate



The graph above shows that even with a conservative 5% adoption rate, API calls in the top six markets will collectively reach just under **5.5bn API calls per month by December 2022**. This reinforces what we've seen in our TPP tracker where third parties being approved for services in Southern Europe and Poland have been particularly high over the past few months. We expect the level of monthly calls to reach **0.5bn in Italy by August 2021, Spain in April 2022 and Poland in November 2022**.

Total Monthly API calls (billions) with a 20% adoption rate



The graph above shows that if adoption rates are at the top end of our scenarios (20%), **thirteen** countries within the EEA can expect to see **over 100m API calls per month by the end of 2021**, with **Germany** and the **UK** both seeing over **1bn** at this time, growing to **5.3bn** and **3.1bn** respectively by the end of the following year.



What are we experiencing today and what are future realistic numbers?

A year after the implementation of PSD2 Open Banking, we estimate that there are already 12 countries within the EEA that are experiencing monthly volumes in excess of 20m. The chart below shows these countries and their respective volumes.

Estimated monthly API calls (millions)

September 2020



Regardless of whether the open banking adoption rate reaches 5%, 10% or 20%, we are confident nearly all countries within the EEA will be experiencing millions of API calls every month by the end of 2022.

The global pandemic over the past six months has driven consumers on-line looking for the best products and services to manage their accounts and financial data – rather than finding these deals and offers on the high street, as they historically might have done. This sentiment is reinforced by the surge in new TPPs being approved for services – they can see that there’s a ready market. Surely with innovation fuelling usage, the rest of the EEA will follow the UK’s lead. The determining factor will be trust and confidence in open banking.



Open banking is the start of a transformational journey within the financial services market. Starting as a European vision, it has now become a global movement, with many other countries outside the EEA looking to implement open banking services to drive innovation, increase competition and deliver better financial outcomes for users. Open banking services are only set to increase, and this in turn will drive greater transaction volumes.

Mike Woods, CEO Konsentus



About us

Konsentus provides confidence in open banking. Our Software as a Service (SaaS) solution, Konsentus Verify, consolidates data from a multitude of regulatory databases and registers, providing the information to our customers in real-time enabling them to comply with PSD2 Access-to-Account. Issued through cloud-based RESTful APIs, our easy to implement service helps Financial Institutions reduce risk, limit liability and fight fraud by ensuring data is only ever given to legitimate and regulated Third-Party Providers (TPPs).

Headquartered in the UK, with operations across Europe, our world-class TPP identity and regulatory checking solution, Konsentus Verify, gives Financial Institutions the confidence they need to know they are always providing safe and secure open banking services to their customers.

Konsentus is ISO 27001 certified

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