



Q3 Konsentus Third-Party Provider Open Banking Tracker

A year after the implementation of PSD2 open banking, the demand for innovative products and services from newly regulated entities continues to rise with 49 new TPPs being approved during Q3 taking the total number to 410 – an increase of 13.6%. However, we’ve also recorded 3 TPPs being suspended over the past three months, lowering the total number for Spain and Estonia. With only three countries now without a Home regulated TPP, the numbers are looking very different from a year ago. Clearly from what we’ve seen in terms of API calls recorded in the UK, open banking is starting to take off as customers enjoy reduced friction in the customer journey and better access to their financial data and funds.

Highlights Q3:

- A total of 410 TPPs are approved to provide services across the EEA
- The number of TPPs in Norway has increased by 200%
- Each country in the EEA has at least 85 TPPs approved to provide services due to passporting rules
- 93% of TPPs are registered either as an AISP or AISP & PISP. Only 27 (7%) of the 410 TPPs are registered as PISPs only
- Latvia now has a TPP regulated by its Home NCA, leaving only 3 countries (Malta, Portugal and Romania) in the EEA with no home approved TPPs



Number of TPPs approved in Home Member State | Total number of TPPs who can provide services (either in Home Member State or passported to Host Member States)

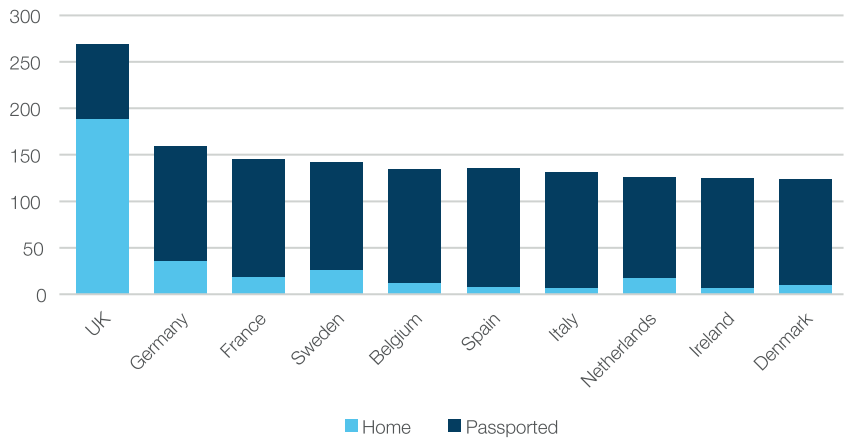
85

Minimum number of TPPs in each country. At the end of Q2, this was 55

17

Countries in the EEA with over 100 passported TPPs

Home and Passported TPPs



Number of TPPs regulated by Home NCA

Q3: The top 10

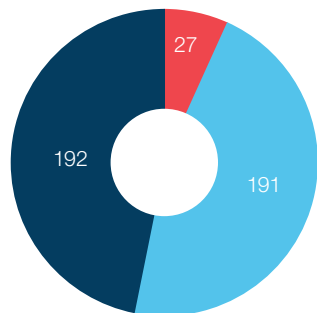


Q2: The top 10

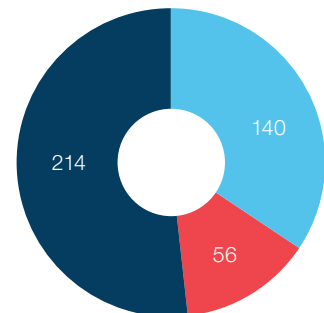
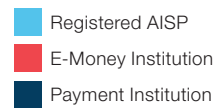


The ten countries with the highest number of Home regulated TPPs remains the same this quarter. The only change is Belgium and Lithuania switching places. Outside of the top 10, Estonia has seen significant movement over the last 3 months. Although the total number of TPPs has only increased from three to five over the last quarter, the figure excludes two TPPs who have been suspended. Spain has also recorded a TPP being suspended which means it remains outside of the top ten.

Number of TPPs in EEA



Type of Institution



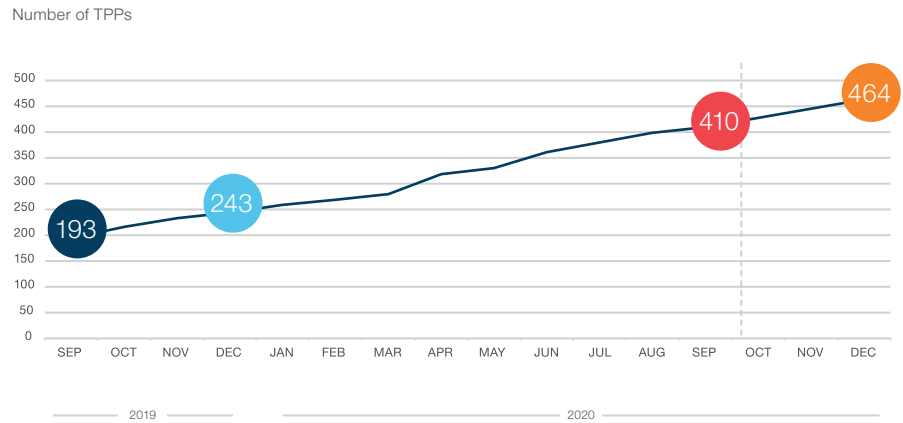
As seen in Q2, nearly half of all TPPs are registering to offer account information services as well as payment initiation services. Of the newly regulated Fin Techs, one-third are choosing to be registered as AISPs only – a lighter regulatory process.*

*'Payment Institution' means a legal entity that has been granted authorisation to provide and execute payment services which are not connected to taking deposits or issuing electronic money.

Note: these figures do not include Credit Institutions acting as TPPs or CBPIIs.

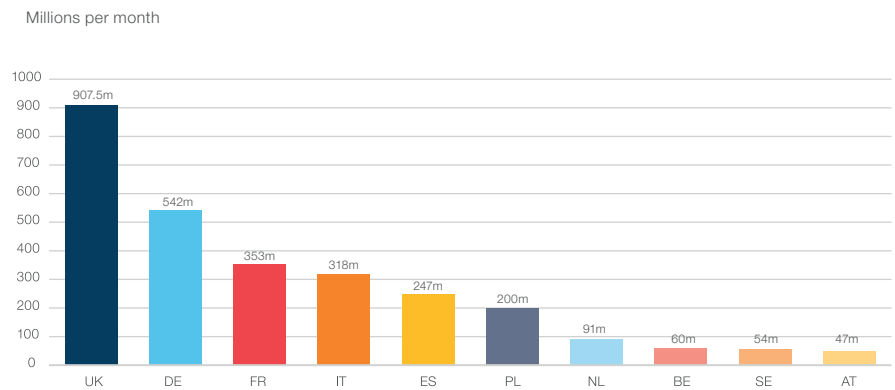
Projections for Q4 2020

We closely predicted what the total number of TPPs would be at the end of Q3 2020, falling short of the overall number by only seven. We anticipate that by the end of the year, we will reach a total of 464 TPPs This includes 40 TPPs in Germany, 28 in Sweden, and 21 in both the Netherlands and France.



API calls across the EEA

In terms of transaction volumes, we expect a total of 3.1bn* open banking API calls to be made across the EEA each month by the end of December 2020. The UK is expected to be seeing transaction volumes of 907.5m per month, Germany 542m and France 353m.



By the end of the year, 23 out of all 31 EEA countries (74%) should be experiencing over 5m API calls per month, with 21 of these over 10m API calls per month.

*This is in excess of the 2.8bn – 3bn figure we quoted in our article: 'API calls – what lies ahead' as we have been able to use recently published updated UK data to revise our calculations.

Predictions Q3:

464

TPPs approved for services

3.11bn

API calls per month

101

TPPs per country with the freedom to provide services ('passporting' rules)



"This quarter, what stands out is the increase in the number of TPPs passporting to other countries. This demonstrates that there is consumer demand for innovative products and services – regardless of jurisdiction. Also, with three TPPs being suspended this quarter, the importance of real-time checking before granting access becomes ever more evident"

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 simple 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 grow their business whilst knowing their customers are protected and they are delivering against regulatory requirements. Konsentus is ISO27001 certified

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For more information please contact:

General Enquiries: info@konsentus.com

PR & Media: press@konsentus.com

www.konsentus.com

@konsentus

@konsentusOB

