

Q4 2020 Konsentus Third Party Provider Open Banking Tracker



In December 2019, there were 240 TPPs registered to provide services across the EEA. A year later, the number had grown to 450 TPPs.

Although growth over the past quarter is slightly lower than previously seen, there were still 40 new TPPs authorised, an increase of just under 10%. This figure of course does not include any credit institutions, operating in the capacity of TPPs, who are already offering their customers account aggregation or payment initiation services. Early indications show that many of these organisations are indeed seeing the competitive advantage of providing their customers with one central platform through which they can access and control all their different accounts and funds.

Of course, Brexit will undoubtedly play a part in our Q1 2021 tracker. We are likely to see UK TPPs setting up European operating entities in order to provide their services outside of the UK. Conversely, to provide services within the UK, European TPPs were able to register under the UK FCA's Temporary Permissions Regime (TPR) prior to 31st December 2020. From 1st January 2021, any new European TPPs wishing to provide services in the UK have to set up a new UK operating entity and apply for registration with the FCA. Next quarter we will be reporting on both the UK and European landscape.

Highlights Q4:

- **450** TPPs approved to provide services across the EEA and UK.
- The UK has **200** Home regulated TPPs.
- Each country in the EEA has at least **75** TPPs who can provide services due to passporting.
- **Sweden** now joins **Germany** in having more than 30 Home registered TPPs.
- **Lithuania** has seen a **50%** growth in Home regulated TPPs since the end of Q3, having grown from 14 to 21.

Country	Home Member State	Passported to Host Member States
Austria	3	114
Belgium	13	120
Bulgaria	4	94
Croatia	3	91
Cyprus	4	88
Czech Republic	6	101
Denmark	13	115
Estonia	5	104
Finland	12	117
France	23	138
Germany	35	147
Greece	2	94
Hungary	5	95
Iceland	0	76
Ireland	8	113
Italy	9	127
Latvia	1	96
Liechtenstein	1	75
Lithuania	21	112
Luxembourg	1	105
Malta	0	89
Netherlands	20	134
Norway	6	99
Poland	12	120
Portugal	0	111
Romania	0	97
Slovakia	2	96
Slovenia	2	88
Spain	8	123
Sweden	31	136
United Kingdom	200	267

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)

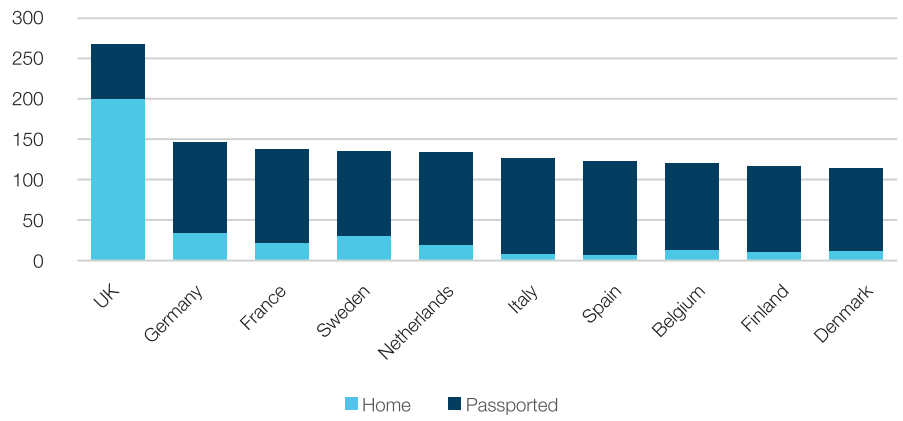
75

Minimum number of TPPs in each country

17

Countries in the EEA with at least 5 Home regulated TPPs

Home and Passported TPPs



Number of TPPs regulated by Home NCA

Q4: The top 10

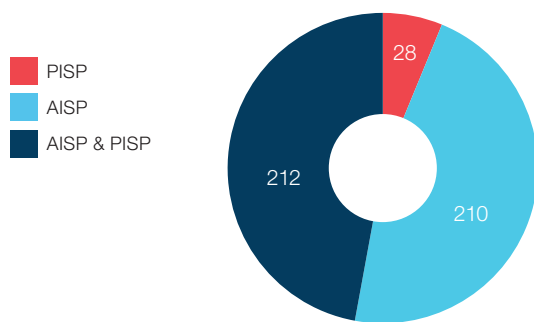


Q3: The top 10

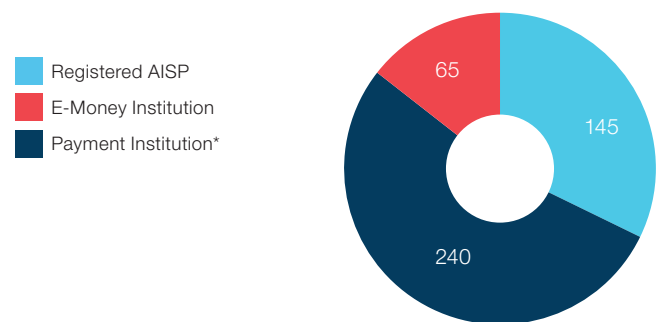


Although the list of countries in the top 10 remains the same this quarter, growth in these countries is gaining momentum. **93%** (37 of the 40) of all new TPPs being approved over the last quarter came from these 10 countries.

Number of TPPs in EEA



Type of Institution



The trend continues this quarter with nearly half of all TPPs registering to offer account information services as well as Payment Initiation Services. The trend over the past year however shows that there is an increase in TPPs offering PISP services, whether that be standalone or in conjunction with AISP services.

Over 50% of the newly regulated FinTechs are registered as Payment Institutions, meaning they are authorised to provide and execute payment services.

*'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.

Projections for Q1 2021

If the growth curve continues to follow historical trends, there will be in excess of 500 TPPs by the end of Q1 2021. However, with Brexit impacting next quarter's tracker, the total number will be split between the UK and Europe.

France, Germany, The Netherlands, Lithuania, Sweden and the UK will all have in excess of 20 Home Regulated TPPs approved to provide services.

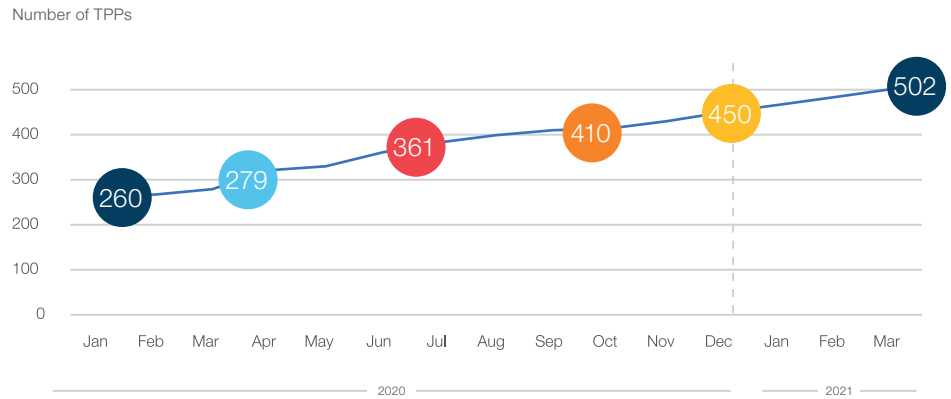
API calls across the EEA

Based on our model, we calculate that there were 3.07bn open banking API calls in the EEA in December 2020.

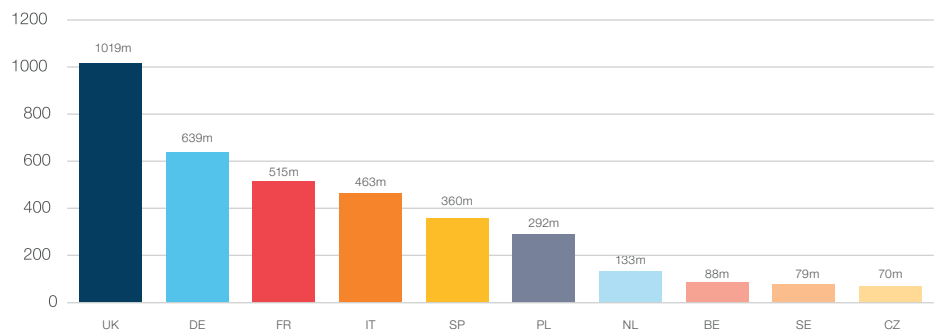
If Brexit had not happened and passporting continued for UK TPPs, we would predict a total of 4.18bn monthly calls by the end of Q1 2021.

However, the landscape is set to look rather different in a few months' time. What will be interesting to see is the increase in UK TPPs setting up European entities and EEA TPPs registered under the UK's Temporary Permissions Regime and those who have subsequently registered a separate legal entity with the UK FCA.

*Based on pre-Brexit figures



Millions per month (end of March 2021. Top 10 countries*)



Predictions for end of Q1 2021

502

TPPs approved for services in the EEA and UK

1bn+

Monthly open banking API calls in the UK

12

Countries with over 10 Home regulated TPPs



"Although what we're seeing through our TPP tracker is just a snapshot through one lens – as we're not reporting on all the credit institutions offering TPP services – we believe open banking is really starting to take off. Market participation has accelerated with over 50% of all EEA countries having at least 5 approved Home regulated TPPs. We're also seeing an increase in cross border traffic through the Konsentus Verify platform. In 2021, it will be vital for Financial Institutions to continue safeguarding customer data and funds by ensuring they have appropriate checking procedures in place."

Mike Woods (CEO)
Konsentus

About us

The Konsentus Group comprises Konsentus Limited and Open Banking Europe S.A.S.

Konsentus Limited provides open banking identity and regulatory checking services to protect our customers and partners from the risk of open banking fraud.

Open Banking Europe S.A.S champions innovation, competition and efficiency through the OBE Community initiative and enables safe and secure open banking payment transactions through the regulatory directory services.

Headquartered in the UK with a European base in France, Konsentus also has extensive operations across the rest of Europe. ISO 27001 certified.

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