

## Building trust in the age of open banking

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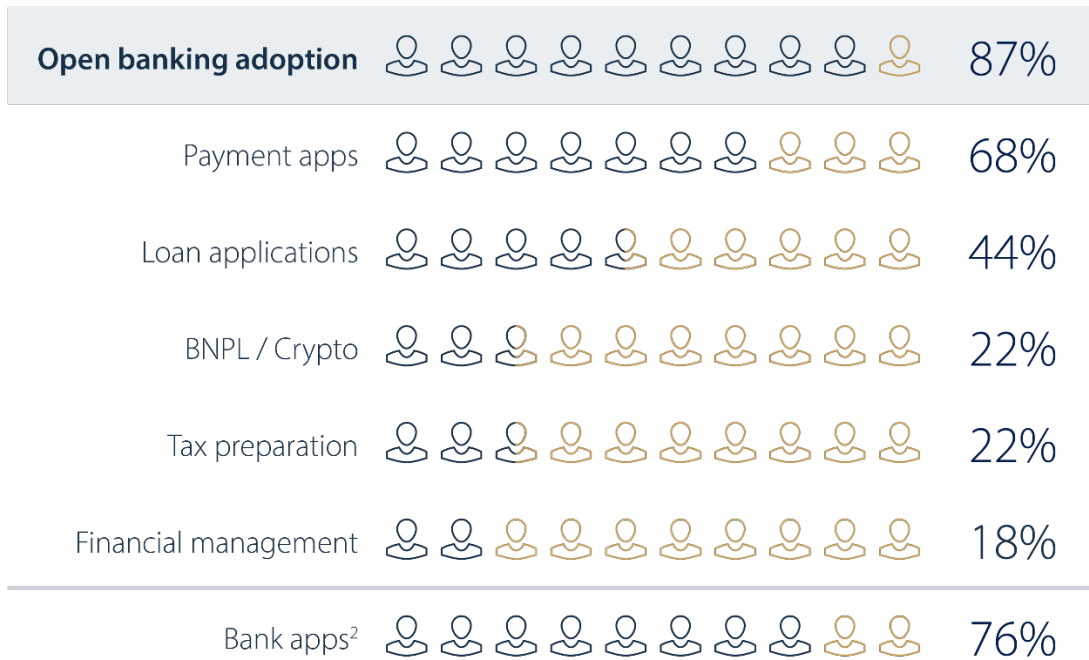
Consumer demand for frictionless experiences is at the center of rising financial services and tech innovation. As consumers embrace digital services in their everyday lives, from banking to shopping to budgeting and beyond, the ways in which they choose to manage their finances is shifting towards the ease, speed, and personalization of digital apps across different industries.

Financial institutions, fintechs, and businesses have created offerings that allow consumers to share their financial data quickly and seamlessly with third-party apps – a system commonly known as open banking.

### Compelling value drives high adoption

Open banking is enabling more personalized, flexible, and innovative experiences and consumers are catching on. A **Visa consumer survey found that 87 percent of U.S. consumers use open banking,<sup>1</sup> signaling that the value proposition resonates strongly.**

Open banking sits at the center of financial services innovation by providing consumers the ability to authorize applications and websites to seamlessly access their financial accounts. Consumers enjoy open banking connectivity because it powers services that bring meaningful value to their lives.



2. Visa Business and Economic Insights analysis of Visa VISIT platform, VisaNet

<sup>1</sup> Visa Open Banking Consumer Survey, n=1,500. Household income, gender and age distributions reflect a representative sample of the U.S. adult population based on U.S. Census Bureau representation. Administered digitally, April 2022.

The broad range of use cases indicates how valuable consumers consider open banking services to be. This opens new doors for providers to serve their customers. For example, financial institutions may offer consumers the ability to connect their accounts for a loan application or to view their finances all in one place; fintechs can remove friction with seamless peer-to-peer payments; businesses can offer embedded finance payment choices at the point of sale such as buy now pay later; and crypto exchanges can offer a cost-effective on-ramp method for consumers to use fiat money to purchase cryptocurrencies.

The extensive menu of use cases is so valuable that the average consumer connects with more than four open banking applications at any given time.<sup>2</sup>

### Putting control in consumer hands

Despite near ubiquitous usage among consumers, more work can be done to help drive consumer comfort and control.

34% of  
consumers

are aware that open banking powers  
their connected financial services.



The study found that while many consumers enjoy the benefits of open banking, providers of connected services can do a better job of providing clarity on how their information is used. Addressing consent management is important because awareness correlates to consumer comfort.

Consumer-facing application providers have an opportunity to communicate with consumers about open banking and their role in it through clear and consistent consent management practices. Beyond driving awareness, this can help to increase consumer comfort levels as open banking experiences continue to grow.

### Addressing the benefit to consumers

Two of the most important pillars of a trusting relationship between a financial services provider and their consumers are the provision of meaningful value to the customer and clear and consistent consent management practices. These pillars are foundational to the success of open banking services and drive the consumer's decision-making process to connect and share their data with third parties that meet a consumer demand. For consumers who are more hesitant to connect, certain benefits drive improved comfort levels, such as sending and receiving money and viewing finances in a single app. As providers increase their focus on both value proposition and consent management, consumers will become more comfortable with and benefit from a more connected ecosystem.

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<sup>2</sup> Visa Open Banking Consumer Survey

## The road ahead

Ultimately, the value of open banking services that consumers receive in exchange for authorizing access improves their comfort levels. Providers that deliver seamless and consent-driven access to personalized products and services will help to drive trust and increase interactions with their customers.

The road ahead is built on collaboration and adaptiveness. Understanding consumer behavior and preferences helps financial institutions, fintechs and businesses focus on their most important driver: their customers.

1. **Consumer adoption is high, and the industry must adapt to demand.** A one-size-fits-all model or solutions that offer basic, siloed products and services no longer address the evolving needs of consumers, who demand personalized, seamless, and secure connected services from trusted brands. Consumers use applications at different rates for varying use cases and unlock real value when financial institutions, fintechs and other businesses rapidly innovate to address their personalized needs and evolving preferences. Open banking powers the connected services that consumers seek.
2. **Consumer comfort and control is paramount to success.** As institutions roll out modern products and services to meet surging demand, ensuring that consumers understand they are always in control of how they share their data will be key to success. This will help build trust and deliver meaningful value for customers.

## Open banking powers the future of data and payments

With consumer adoption of open banking already high, attention is shifting to the products and services that will improve comfort levels while enabling seamless and enjoyable customer experiences. But the open banking journey does not end there. Providers will need to develop a holistic approach to meeting their customers' needs for connected services. In fact, concrete steps can be taken now:

1. **Review** your institution's open banking strategy. Are you ready to capitalize on the benefits of open banking?
2. **Identify** which businesses and use cases may benefit from open banking technologies.
3. **Learn** what solution providers offer that may power enhanced services for your customers.

Specifically, understanding how preferences influence consumer behavior is essential to tailoring a personalized approach that meets customer demand for open banking services.

Read the full report about how financial institutions, fintechs, and other businesses can gain a clear view on designing open banking solutions to fit the diverse needs of their customers: [How consumers are driving U.S. open banking innovation.](#)