



GUIDE

Open banking: Compliance and beyond

A guide to driving financial service innovation
and value with the right open banking solution



Banking consumers want a digital experience that's simple and safe. Give it to them.

Open banking has become essential for financial institutions (FIs) worldwide, driven by both regulatory changes and the need to stay competitive in a rapidly evolving financial landscape. Once they solve the compliance challenges, FIs can move forward with open banking to introduce new products and services, delight their customers, and grow their business. Banks that wait too long risk missing the open banking wave that is reshaping the financial services industry.

Regulations like PSD2 in the EU and the CMA initiative in the U.K. lit a fire under open banking by mandating that FIs unlock customer financial data (by request) and share it with third-party service providers. The U.S. government followed with similar rules in Dodd-Frank Act Section 1033, set to go into effect in phases starting in 2025.

The rules in this case reflect the will of the people. Consumers everywhere want control and transparency into their personal data, along with greater security and privacy. In addition, financial services are becoming seamlessly integrated into everyday platforms. Consumers expect the same fast and easy access to multiple services that they get from other apps on their smart phones and other devices.

What's more, open banking provides third-party financial service providers open access to consumer banking, transaction, and other financial data through the use of APIs. Scalable, future-ready, open banking software delivers the secure API connectivity and management needed for a robust open banking ecosystem.

For FIs, the door is now open to stay in compliance while giving customers the open banking experience they want. This guide offers helpful considerations to keep in mind when selecting the right open banking solution. Its practical insight can help you accelerate your open banking initiatives to expand and enhance your products and services, tap into new markets, and pull away from the competition.

WHO SHOULD READ THIS GUIDE:

- Chief Information Officers
- Chief Executive Officers
- Chief Risk Officers
- Chief Technology Officers
- Business Developers
- Heads of Compliance
- Chief Digital Officers
- Heads of Partnerships
- Heads of Payments
- Chief Marketing Officers
- Heads of Innovation
- API Managers
- Chief Operations Officers

Market leaders are adopting open banking worldwide¹



Embedded finance revolution

84% of executives expect embedded finance to reshape their industry by 2025



Collaboration driving growth

74% of banks feel driven towards collaborative business models



Massive open banking growth

\$416B in revenue to be clocked by open banking by 2026

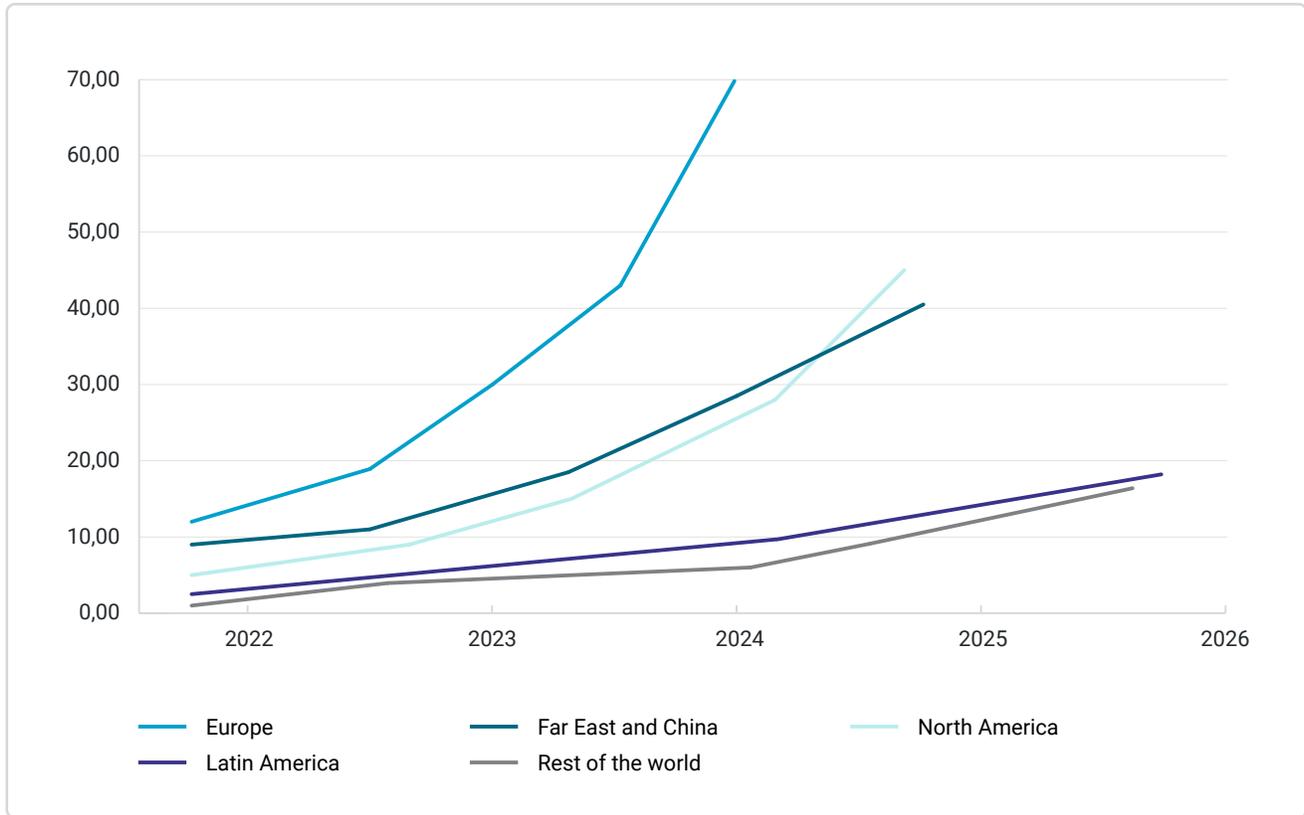


Payments ecosystem growth

1B estimated transaction volume in 2026, up from 56M in 2021, fueled by open banking expansion

¹ PYMNTS Intelligence, 2022, [Open Banking Growth](#)

Open banking users worldwide in millions forecasted to 2024, by region¹



Europe alone to see a 400% growth in 4 years – 64M users predicted in 2024

¹ PYMNTS Intelligence, 2022, [Open Banking Growth](#)



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01

Ensure compliance agility

The best open banking solution supports compliance with frameworks like Section 1033 of the Dodd-Frank Act in the U.S. through secure, API-based data sharing and robust security, identity, and consent management. This simplifies third-party collaboration and integration, boosting transparency and customer trust.

Look for a solution designed to keep you protected from regulatory risks with automated compliance updates, supporting evolving regulations like PSD3, and PSR, with the latest updates from industry standard leaders like the Financial Data Exchange (FDX) and more. Open banking software must place a strong emphasis on security, integrating advanced identity verification and consent management. At the end of the day, the right solution will fully unburden you from compliance concerns, allowing you to focus on product and service innovation and monetization.

Comply with open banking regulations around the world¹

UNITED STATES	EUROPE	MIDDLE EAST
<p>2024: CFPB under Dodd-Frank Act Section 1033 gives consumers data control</p> <p>Future: Embracing open ecosystems for user-centered services</p>	<p>2025–2026: PSD3 and PSR enhancing consumer protection, enabling instant payments</p> <p>2026+: Digital identity laws will secure access</p>	<p>2024: Saudi Arabia and UAE are building frameworks to open banking</p> <p>Future: Increased API adoption enhancing the financial ecosystem</p>
BRAZIL	AFRICA	AUSTRALIA
<p>2021: Open banking launched</p> <p>Future: Expansion of open finance, advancing API solutions</p>	<p>2021: Nigeria instituted open banking regulations, driving financial inclusion</p> <p>2024: Ongoing efforts in East Africa to expand API usage</p>	<p>2020: Rolled out the Consumer Data Right (CDR), enabling data control with open banking</p> <p>Future: Expansion of CDR across various sectors</p>
CHILE	<p>Open banking adoption projected to rise to 44% by 2027, driven by improved user experience, security advancements, and broader financial sector integration.¹</p>	
<p>2024: Preparing for open banking and open finance regulations for transparency</p>		

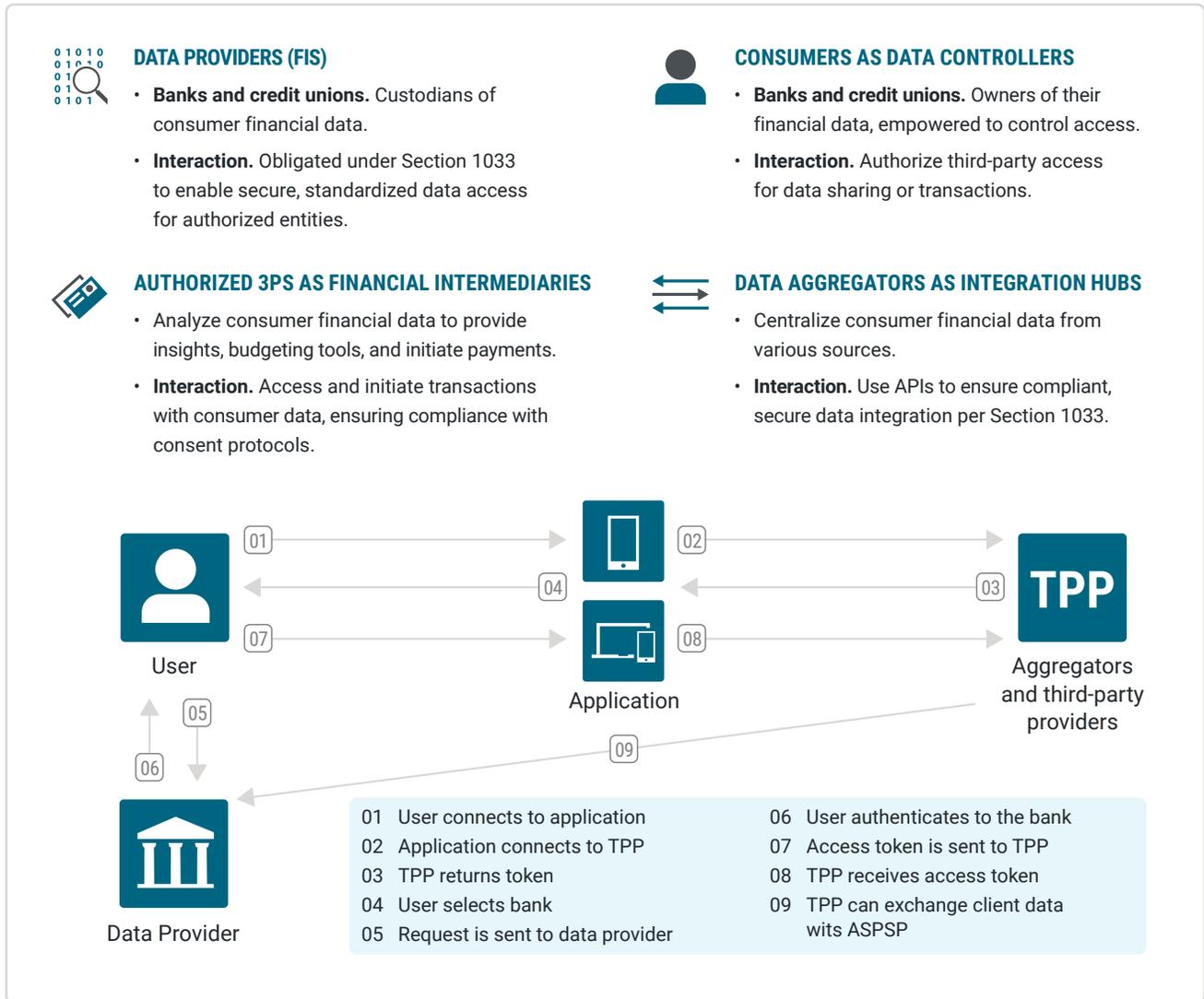
¹ Forrester, 2024, [Journey to Open Finance, UK](#)

02

Achieve effortless ecosystem integration

Banks and other FIs require a layer of integration software or middleware to connect the different players in their open banking ecosystem. The right open banking software simplifies secure data sharing internally, with consumers, and with accredited third parties.

Connecting different players in the open banking ecosystem



Open banking software connects and empowers different stakeholders across the digital ecosystem.

Modern open banking software gives you low-code, no-code capabilities for connecting to customers and partners, off-the-shelf connectors, and APIs prebuilt to open banking standards. This quick, cost-effective integration approach minimizes operational complexity and expenses, supporting a stellar user experience and enabling you to deploy open banking solutions rapidly.

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Enhance customer experience

Open banking offers consumers the chance to simplify and enrich their financial activities. By collaborating with fintech companies and third-party developers, FIs can differentiate themselves with innovative financial products such as payment solutions, financial analytics, and credit-scoring tools, opening new revenue streams. Easier integration of third-party applications, such as budgeting tools or comparison platforms gives customers a seamless experience in which they can manage their finances from a single platform.

With the right open banking solution, FIs can access broader datasets, giving them a better understanding of customers' financial habits and preferences. This helps improve credit assessments and offers customers personalized loan products that precisely fit their budgets and needs. FIs can also extend consent management to customers as part of a unified open banking platform, making it simple for them to access personal financial data and share it securely with third parties of choice.

For payments, open banking APIs streamline payment initiation and increase transaction efficiency, with global open banking payments projected to surge from \$57 billion in 2023 to \$330 billion in 2027.¹ AI-powered solutions leverage open banking data to provide predictive analytics, personalized financial advice, and automated customer service, driving customer engagement and operational efficiency.

Open banking software enables FIs to capitalize on new business models like Banking as a Service (BaaS) and subscription-based services. Easier integration of third-party applications, such as budgeting tools or comparison platforms, gives customers a seamless experience in which they can manage their finances from a single platform. Some use cases include:

<p>CREDIT DECISIONS</p> <p>Empower quicker and better decisions for happier customers</p>	<ul style="list-style-type: none"> • Reduce risk with enhanced credit scoring • Eliminate traditional credit scoring based on paper and uploaded documents • Unlock new user segments • Boost revenue with higher acceptance and conversion rates • Capitalize on cross-selling opportunities • Reduce operations costs with debit date insights
<p>ENHANCED ONBOARDING</p> <p>Supercharge engagement through personalized onboarding segments</p>	<ul style="list-style-type: none"> • Easy access to external bank accounts • Immediate top-up after account is opened • Transaction history for better understanding of customers • Better conversion with streamlined processes and automatic data filling • Protection against fraud and data falsification

¹ [Juniper Research, 2023](#)

<p>REMITTANCE</p> <p>Transfer money across borders with no hassle and low cost</p>	<ul style="list-style-type: none">• Efficient and quick transfers• Seamless customer experience• No intermediaries and reduced costs• Audit trails for enhanced security against customer claims• Lifelong relationships with customers sending funds across borders
<p>PERSONAL FINANCE MANAGEMENT</p> <p>Empower customers to manage finances with personalized insights</p>	<ul style="list-style-type: none">• Give customers a fuller financial picture• Make recommendations based on consumer transactions, budgeting, and goal setting• Supercharge customer engagement• Gather valuable information about competitors• Create new cross-selling opportunities

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Manage and monetize APIs

Both internal and third-party application developers play an important role in creating an open banking ecosystem. Empower them with a user-friendly, intuitive environment that enables rapid onboarding and integration. This means ensuring that APIs are properly managed and orchestrated to efficiently communicate with various systems and apps. The ideal environment will streamline and speed the development process, reducing time to market, creating synergy with partner developer teams, and fostering innovation.

Toward those goals, look for an open banking solutions provider who provides prebuilt APIs designed to accelerate key open banking use cases – from payment initiation and data aggregation to personal finance management, credit insights and investment services. These premium APIs need to adhere to the latest global standards (including FDX, BGV2) that align with Section 1033 and PSDX regulations. Combine them with tools to enrich customer experiences and create new revenue streams. This will position your organization to go beyond open banking, which focuses on sharing customer data with third parties, and towards an open finance model in which your products and services are aggregated for customers with those of third-party partners.

Leading FIs are now adopting an iPaaS model to power an API marketplace where services are effortlessly accessed, bundled, priced, and tracked, unlocking new revenue streams. This allows you to monetize your APIs in the form of valuable products made available to developers on a subscription basis.

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Improve efficiency and reduce costs

Through open APIs, financial institutions have an opportunity to streamline processes such as payments, onboarding, and customer verification, reducing operational costs and improving the speed of service delivery. Automated data sharing between banks and third-party providers reduces manual intervention, minimizes errors, and speeds up decision-making, ultimately saving time and money.

Secure open banking processes help FIs avoid penalties for noncompliance. Secure data sharing via APIs eliminates risky, less secure data practices like screen scraping. You and the customer stay in control of what you share from what account, to whom, and for how long. This protects you and the customer from hackers, scammers, and all manner of fraud. In addition, real-time access to customer transaction data lets you better assess credit risk and detect fraud and other suspicious activity.

Accelerate your open banking plans with Axway

Axway has been helping banks solve their biggest challenges for over 20 years. That's why 60 percent of the top global banks trust Axway.

Amplify Open Banking from Axway is a composable, cloud-native solution that seamlessly integrates legacy systems with new technologies, enabling you to expand and extend your service catalog, enhance customer experience, and ensure compliance. We have the right technology and expertise to help you bridge the gap between traditional banking infrastructure and modern open banking.

AXWAY OPEN BANKING BENEFITS YOU CAN LEVERAGE RIGHT AWAY

FOR YOU

- **Increase acquisition rate thanks** to streamlined UX, personalized offers, and integrated open banking services beyond compliance
- **Reduce costs** with precomputed data analysis, automated processes and unified regulatory and nonregulatory services in one platform
- **Know your customers better** by gathering and analyzing their full financial data
- **Increase revenue** thanks to personalized recommendations and monetizing services beyond compliance
- **Boost customer satisfaction and retention** by providing personalized financial insight and advice, enhancing loyalty
- **Enable your ecosystem** by leveraging our Marketplace, integrate nonregulatory partners and unlock new revenue streams

AXWAY OPEN BANKING BENEFITS YOU CAN LEVERAGE RIGHT AWAY (continued)

FOR PARTNERS

- **Expand service offerings** thanks to flexible APIs and partner-specific integrations, enabling new and enhanced services
- **Faster time to market** thanks to prebuilt connectors and modular architecture for quick deployment
- **Tailored solutions** through bespoke demands and custom-built solutions, like Payconiq's innovative offerings
- **Collaborate for innovation** integrating TPP and non-TPP partners to co-create innovative solutions for customers
- **Unlock new revenue streams** by offering services beyond compliance, across regulatory and nonregulatory use cases
- **Support from Professional Services team** with dedicated teams to help partners scale and enhance offerings

FOR END-CUSTOMERS

- **Unified financial view** all operations in one platform, combining regulatory and nonregulatory services
- **Simplified user experience** offers seamless data exchange through open banking, without needing to scan or fill forms
- **Greater agility** lets you easily move money across accounts with automated processes for faster transactions
- **Improve financial health** with personalized insights and advice to optimize financial decisions
- **Better understanding of financial situation** available through real-time data insights with advanced categorization and visualizations
- **Full control over information shared with banks** enables you to easily manage consent and control what data is shared with banks at any time

Ready to embrace the full value of open banking?

[Start Here](#) →