

Understanding the Open banking landscape

The financial industry continues to undergo significant transformations, driven by rapid technological advancements and changing consumer preferences. Open banking is at the forefront of these changes, a system that enables third-party financial service providers to access consumer banking information through secure application programming interfaces (APIs).

Open banking presents exciting opportunities for both banks and consumers. According to Celent, **65% of retail banks have a well-defined strategy to participate in open banking ecosystems.**¹ Moreover, consumers can benefit from unlocked financial opportunities thanks to new insights available to institutions.

KEY CONSUMER FINDINGS

70% will likely share banking data for **better loan rates, financial tools,** or personalized spending insights.

58% said they would share banking data with financial institutions who have **strong data security measures** and clear communication on data usage.

71% would share banking information to **improve their credit approval chances.**

Source: Atomik Research survey of 2,005 U.S. adults online, matching national demographics, March 17-21, 2024



BENEFITS OF OPEN BANKING FOR ORGANIZATIONS



Open banking transforms the traditional banking landscape into a more connected and innovative ecosystem. One of the primary advantages is **access to new opportunities.** Banks can seamlessly integrate with financial technology companies and other third-party providers by leveraging open APIs. This connectivity enhances service offerings and allows institutions to tap into new markets and customer segments, fostering growth.



Additionally, open banking introduces an **added level of security** through stringent data-sharing protocols and regulatory compliance measures, thereby bolstering consumer trust and protecting sensitive information. Furthermore, by enabling access to a broader range of financial services, open banking helps underserved populations connect with critical financial tools and resources, thus bridging the gap between the banked and the unbanked.

¹Celent (2024). *Banking Pressures and Priorities.*

Experian's Cashflow Attributes Solution

Our open banking-enabled solution, Cashflow Attributes, empowers you to derive valuable insights from banking transaction data. This helps fuel advanced consumer analysis, enhance underwriting processes, and optimize account management.

Use our 940+ transaction-based attributes generated from consumer checking, savings, and credit card transaction data for:

<p>Comprehensive consumer analysis: Gain a better understanding of consumers' financial health and behaviors for optimized growth.</p>	<p>Enhanced predictive accuracy: Improve model performance with banking transaction data that drives greater predictive precision.</p>	<p>Personalized consumer experiences: Craft and tailor financial products and services to meet and exceed consumer needs and expectations.</p>	<p>Increased financial inclusion: Support your fair and responsible lending objectives while effectively managing portfolio risk.</p>
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As open banking revolutionizes the financial services industry, its potential to foster greater transparency and innovation is undeniable. **Collaboration between traditional financial institutions and fintech companies promises to deliver more personalized, efficient, and inclusive financial services.** With actionable insights across the consumer lifecycle, you can empower your organization to make informed decisions and maintain a competitive edge.

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