

Open Finance: Status and Outlook

Recent Developments

July 2025

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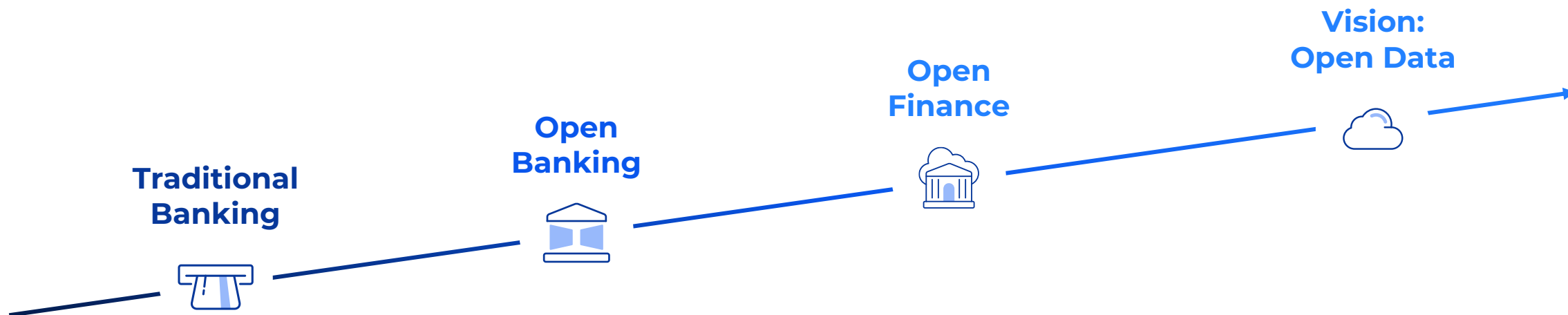
„The world of finance is on the brink of change. A previously closed financial sector is being transformed into an open, digital ecosystem. Customer data can be utilised across systems via technical interfaces - a central idea of open banking.

Open Finance goes one step further and enables the secure exchange of data beyond payment transactions, such as the use of insurance data.“

Dr. Carlos Nasher, Managing Partner at Thede Consulting



Open Finance holds the potential to permanently change the financial services offering in Europe



The closed, regulated financial sector in Europe has evolved into an **open, customer-centred** ecosystem thanks to Open Banking. Using existing data, banks are transforming from financial service providers into open service providers **connecting banks, customers and third-party providers more closely**.

Providers use Open Finance as an opportunity **to better utilise and monetise existing data assets** - with the customer's consent.

The integration of **data from insurance services** broadens this framework into an Open Data ecosystem, where the mutual use of **data increasingly serves as the foundation for digital and personalised customer offerings**.

Vision: FDL offering incl. Open Banking/ Open Finance in 2030

Easy access to information

Thanks to Open Finance and the collaboration between banks, financial service providers and insurance companies, customers have **centralised access** to their financial and insurance data - contract data as well as transaction data.

Seamless integration of third-party providers

Apps and other applications access the customer's financial data, e.g. to monitor their spending, initiate payments, invest money automatically, dynamically adjust insurance contracts or automate credit decisions. The integration is **seamless** and takes place **automatically** and **securely** for the customer subject to their consent.

Increased security and data protection

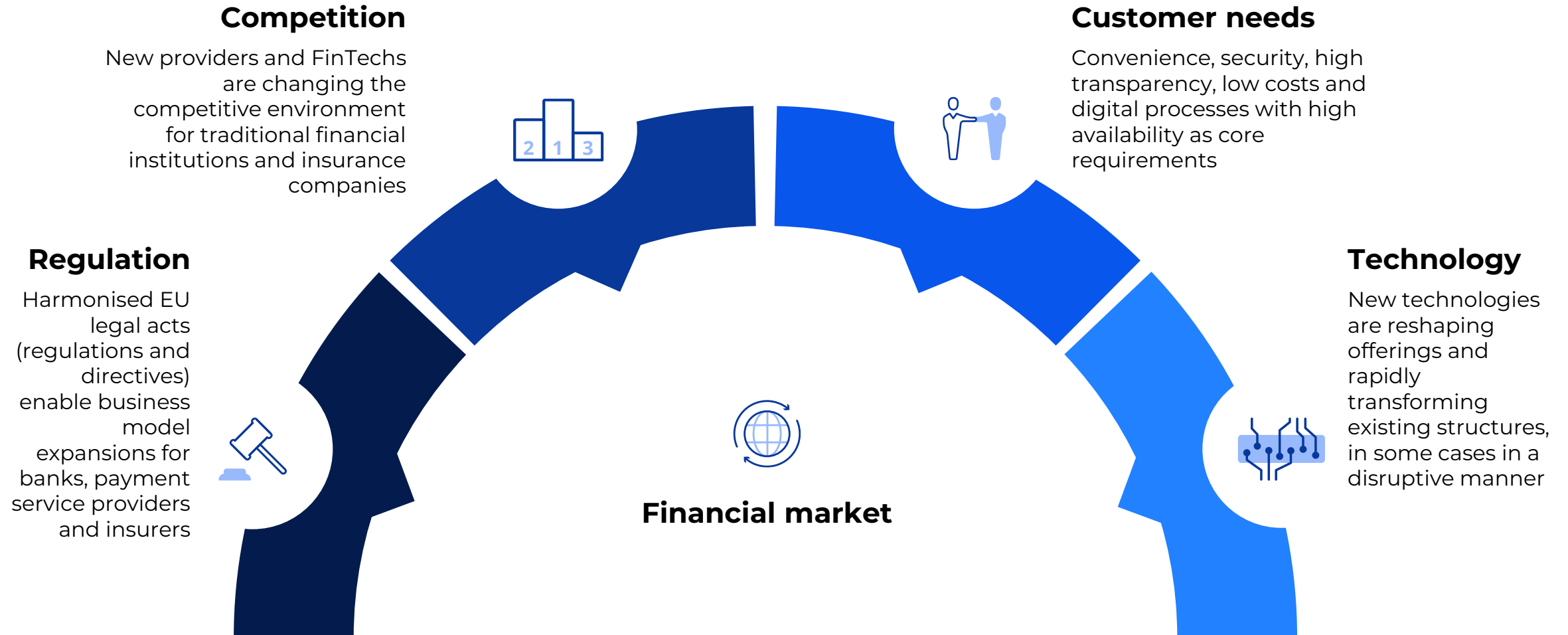
Security is a key issue. Open Finance uses **encryption, secure transmission paths** and **consent models** to ensure that customer data is secure and only accessible to authorised services. The customer has full control over all access.

Transformed offering models

Banks and insurance companies enter **transparent competition** and compete with non-banks for the best customer experience.



The development of Open Banking/Open Finance is fuelled by various drivers



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„The current regulatory initiatives of the European Commission aim to harmonise payment transactions within the European Economic Area, enhance the security of payment processes, and promote competition in the payments sector. PSD3/PSR and FIDA will be of particular importance in this context.

These new regulations present a number of opportunities for banks and payment service providers.“

Ralf Temporale, Managing Director at Projective Group



Extended regulatory framework conditions through new legal acts enhance the potential of Open Finance

PSD3/PSR

Payment Service Directive 3/Payment Service Regulation

Contents:

- Promotion of new business models with potential to secure profitability and competitiveness
- Reinforcement of consumer protection by adapting customer authentication and extending bank liability
- Avoidance of uncertainties through harmonisation of EU law

FIDA

Financial Data Access Regulation

Contents:

- Strengthening secure access to financial data
- Promotion of innovations for financial services, payment systems and credit checks
- Standardised interfaces and seamless integration into existing systems and third-party applications/services



Relevance of PSD3/PSR and FIDA for Open Finance:

- Harmonisation of competition and business model potential in Europe enables scaling
- Adjustments to the specifications for technical interfaces lead to higher standards
- Participation in financial data sharing schemes for accessing and providing data between companies expands the possibilities for use

For providers of financial services, there may be opportunities, but also new challenges

Opportunities

- Secure and transparent **payment services** and strengthened **consumer protection**
- Support the integration of new **technologies**
- Reduce **fraud risks**
- Harmonise European **payment transactions**
- Expand **access to financial data** for consumers and third-party providers
- Promote the development of **personalised financial services**
- Facilitate **market entry** for new service providers and **increase competition**
- Improve the **efficiency** of financial service offerings



Challenges

- Increased requirements for the protection of **sensitive financial** and **customer data**
- Increasing **security risks** due to expanded data access
- Adjustments to **business models** and **processes** necessary
- Increased requirements for fulfilling regulatory requirements and **ensuring data quality and integrity**
- Increasing **costs** for the development of a **secure IT infrastructure**
- **Increasing competition** for control of the customer interface
- Changing requirements for **employees/resources**



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„The financial sector has caught up with other industries: In Germany, digital offerings are increasingly preferred for banking and insurance services. From the customer's perspective, Open Finance can provide momentum for further digitalisation, but must take the customer's needs into account.“

Hauke Peters, Principal Consultant at Thede Consulting



Customers increasingly expect digital solutions and processes from banks and insurance providers



Rising number of **online banking** users



Growing customer demand for **user-friendly apps**



Digital payment methods as a hygiene factor for customers when choosing a bank



Increased desire for a simple, transparent and **comprehensive overview**



Further decline in **cash usage**



Extensive use of **contactless and digital payments**

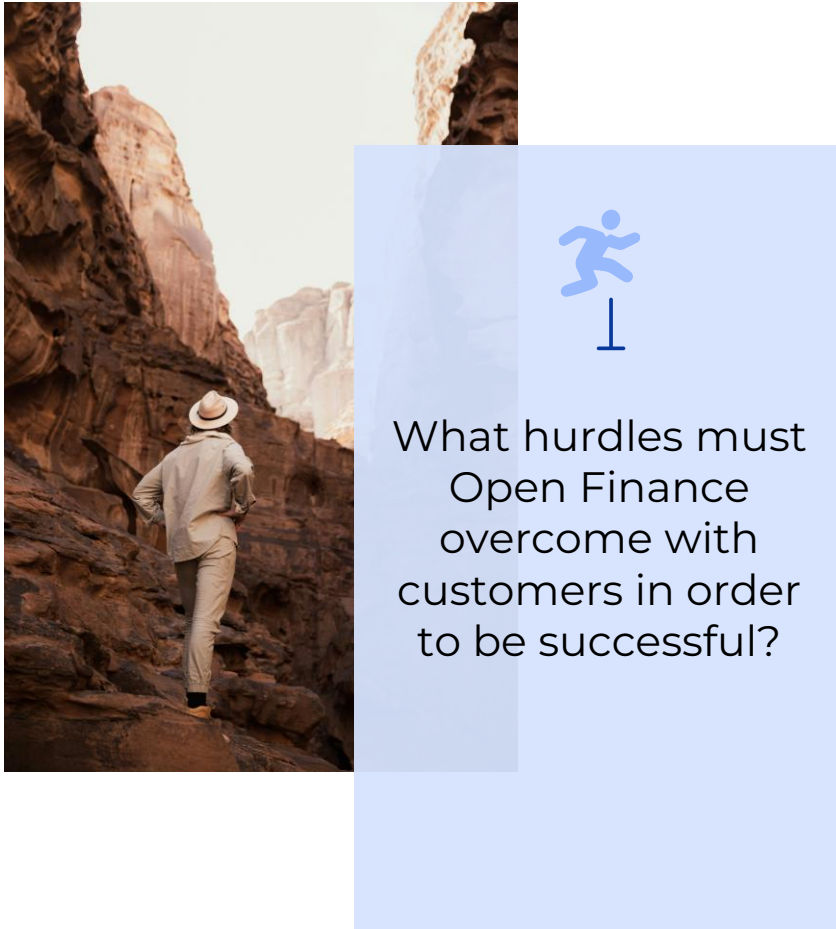


Growing interest in **cryptocurrencies**



Fundamentally, there is a growing “need” among customers for digital offerings in the finance and insurance sector - Open Finance can fulfil customer desires in a targeted manner.

Success factors from the customer's perspective for establishing Open Finance offerings



- **Reliability** – Establishing trust in providers of new services
- **Security** – Ensuring data protection, secure communication and protection against fraud
- **No costs** – Lack of customer willingness to pay directly for Open Finance offerings
- **Consent management** – Transparency about which data is used, by whom, and for what purpose
- **Digital need** – Real-time information, streamlined processes, and high convenience
- **Additional value** – Open Finance must deliver “more” than traditional banking

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„The German FinTech market continues to develop. By potentially enriching their data with information from additional customer-bank relationships, FinTechs are increasingly able to provide customers with a comprehensive overview of their financial situation and gradually take over additional products.“

Kim Griebel, Manager at Thede Consulting



FinTechs continue to establish themselves on the German market and increase competition for traditional banks

1

Banking

The banking sector is characterised by strong competition with standard products and faces a higher compliance burden due to increasing regulatory requirements.



Finanzguru

App for personalised financial monitoring

2

Payment

Payment transactions are dominated by large players and B2B FinTechs that offer white label solutions and account-to-account transactions.



Payment processor for e-commerce

3

Asset Management

Asset management offers considerable potential for new investment products and new guidelines are generating a more dynamic market.



Online broker for shares and ETFs

4

Software Solutions

The market is characterised by the influx of B2B FinTechs offering software solutions and embedded finance services.



Online tax declaration tool

5





Insurance

Online and on-demand insurance creates challenges in customer acquisition and retention and leads to increasing complexity in regulatory compliance.



Digital insurance broker

Providers of financial services will have to address the topic of Open Finance in different ways

	 Banks	 Insurers	 FinTechs	 Payment Service Provider
Assets	<ul style="list-style-type: none">• Established reputation and high level of customer trust• Extensive collection of customer data	<ul style="list-style-type: none">• In-depth knowledge of risk assessment and management• Long-term customer relationships	<ul style="list-style-type: none">• High degree of innovation and agility• Focus on user-friendliness and customer experience	<ul style="list-style-type: none">• Advanced platforms for payment processing• Existing network with banks and merchants
Challenges	<ul style="list-style-type: none">• Integration of new technologies and APIs in legacy systems• Adaptation of corporate culture for more agility, data openness and innovation• Compliance with data security and data protection regulations	<ul style="list-style-type: none">• Modernisation of IT systems and processes• Adaptation to changing customer expectations with regard to digital services• Use of data from various sources to improve products and services	<ul style="list-style-type: none">• Building sustainable business scaling• Navigating complex regulatory requirements• Building trust with customers of traditional banks	<ul style="list-style-type: none">• Ensuring transaction security and fraud prevention• Improving the customer experience through seamless payment processes• Strong competition through new market players and technological innovations

Only when all parties collaborate in an 'open' manner can the customer have a genuine Open Finance experience!

Recommendations for banks and financial service providers



Customer needs

Continuous improvement of the user experience and development of consent management processes to offer personalised and seamless services that truly meet customers' needs



Partnerships

Entering strategic partnerships and collaborations with FinTechs and other technology partners to benefit from the agility and innovative power and technical assets of the new players



IT infrastructure

Investment in modern technology and robust IT infrastructure, that facilitate the integration and use of APIs



Regulation

Implementation of measures to monitor the development of and compliance with regulatory requirements to maintain and strengthen customer trust



Data analysis

Use of existing data pools to efficiently evaluate customer behaviour and make data-driven decisions on offers in the spirit of Open Finance.

With more than 30 years of experience in the payment sector, Thede Consulting is a leading strategy and management consultancy supporting banks, payment service providers and clients from industry, services and retail. Our dedicated team of experts provides specific expertise in the strategic development of innovative business models and digital processes. As part of the Projective Group, we now support our clients throughout Europe with a comprehensive approach that spans from strategy to the successful implementation of innovative business and product concepts. Our clients benefit from our extensive network of experts and resources.

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