PSD2SIG

Current state of Open Banking in the Netherlands

Hessel Kuik

18-04-2023 @ Betaalvereniging Nederland

Who do we have in the room today?

- Bank
- Licensed player
- Unlicensed player
- Regulator
- Consultant, lawyer, etc.

Who do we have in the room today?

- Bank
- **Licensed player(s)**
- Unlicensed player
- Regulator
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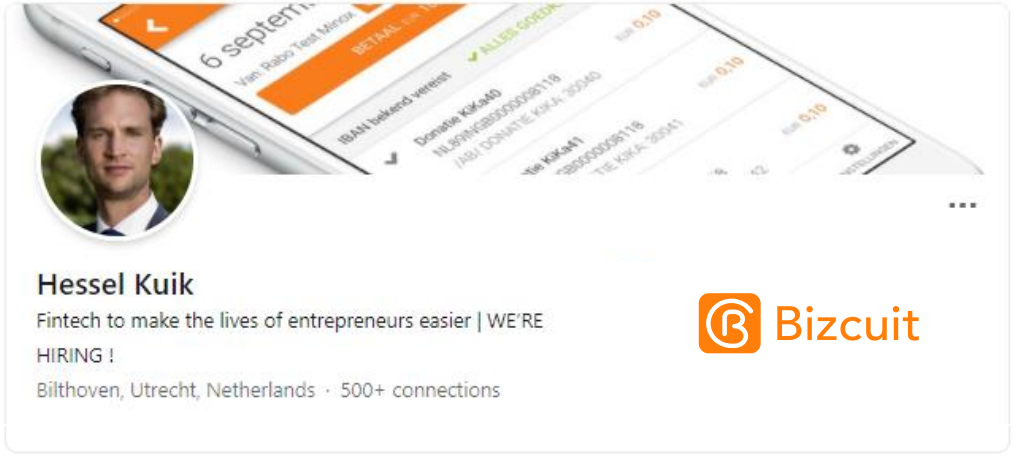
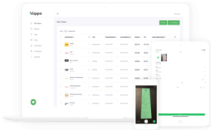


Bizcuit Groep

CEO / Owner

Minox	Paragon ERP	Bizcuit	Investor in klippa
			
Accounting	**ERP**	**BFM Platform**	**Document processing**

Other

- Board Member @ Holland Fintech
- Chairman @ PSD2 Software Industry Group (PSD2SIG)
- Participant @ Berlin Group NextGenPSD2 Advisory Group

Before

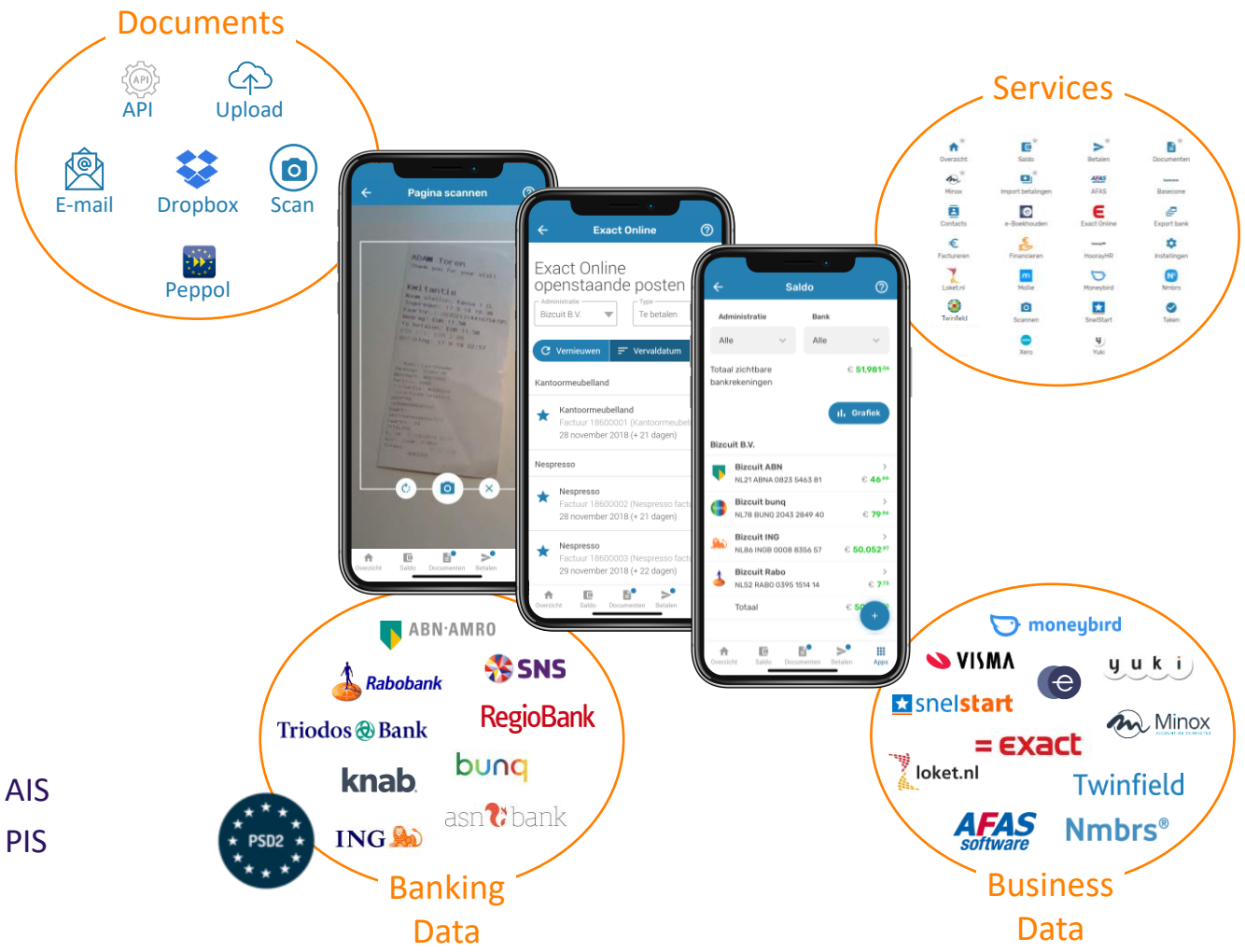
- ABN Amro, Protiviti, Accenture

Bizcuit

BFM Platform

ILLUSTRATIVE

- Invoices
- Receipts
- Contracts
- Etc.



- Payments
- Banking
- Invoicing
- Financing
- Credit management
- Direct debits
- Etc.

Entrepreneur

- AIS
- PIS

- Accounting
- ERP
- Payroll
- CRM
- Etc.

Accountant

PSD2 Software Industry Group (PSD2SIG)

Current state of Open Banking in NL

- Quick recap on PSD2
- Zooming in from EU to NL
- Areas for improvement
- Next: PSD3, commercial APIs, SPAA?

PSD2 objectives

- Support **innovation** and **competition** in payments
- Enhance **security** of payment transactions
- Enhance **protection** of consumer data

PSD2 services (new: XS2A)

- Payment initiation services (PIS)
- Account information services (AIS)

3 models

TPP own use

exact

TPP aggregator

PLAID

TRUELAYER

loyalty app

TSP

SALTEDGE

ING

PSD2 implementation

- European Directive (not Regulation)
- Supplemented by Regulatory Technical Standards (RTS)
- Since 2019
- NL regulators:

DeNederlandscheBank EUROSYSTEEM

AFM

AUTORITEIT PERSOONSGEGEVENS

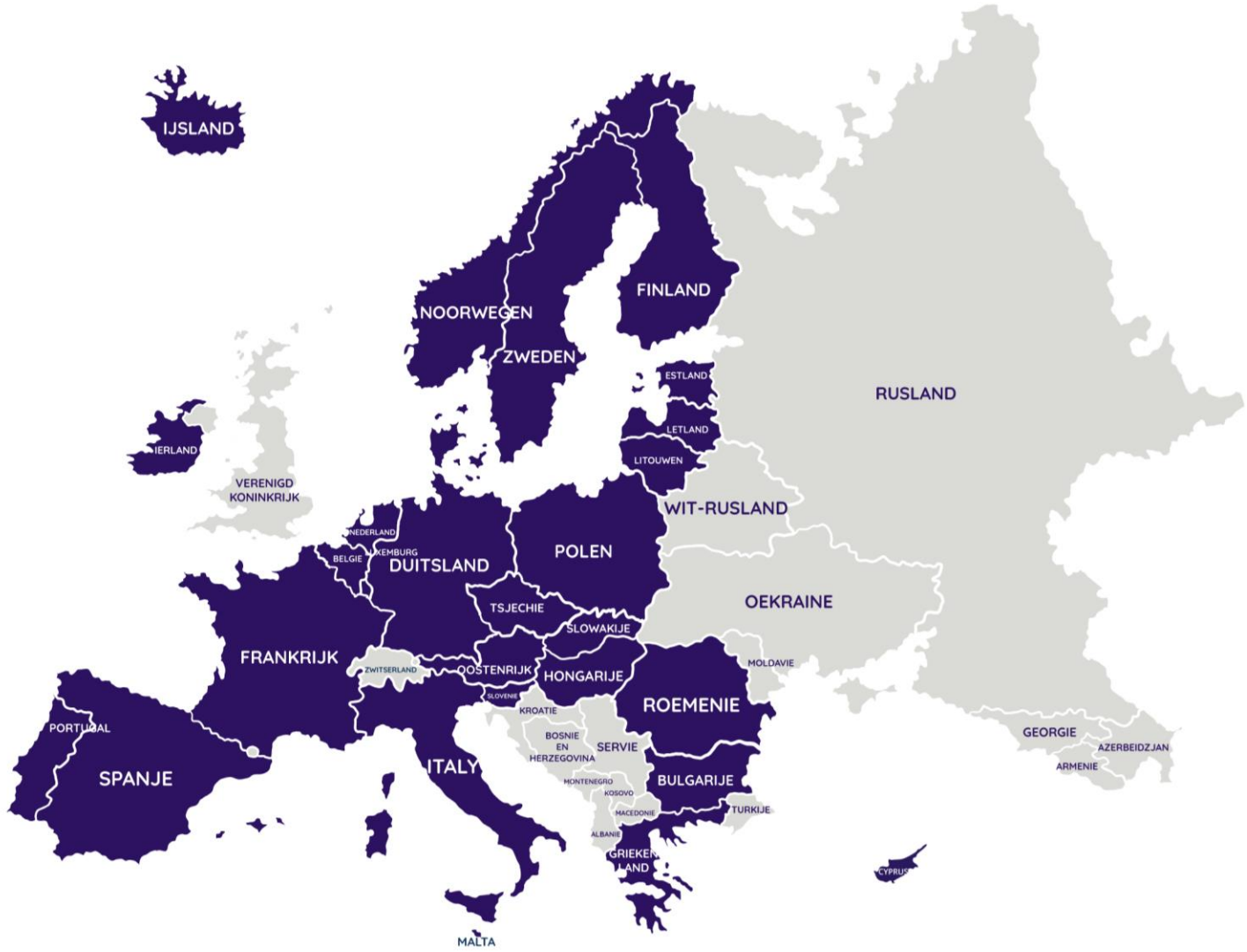
Autoriteit Consument & Markt

PSD2SIG

PSD2 in Europe

28 countries

✓



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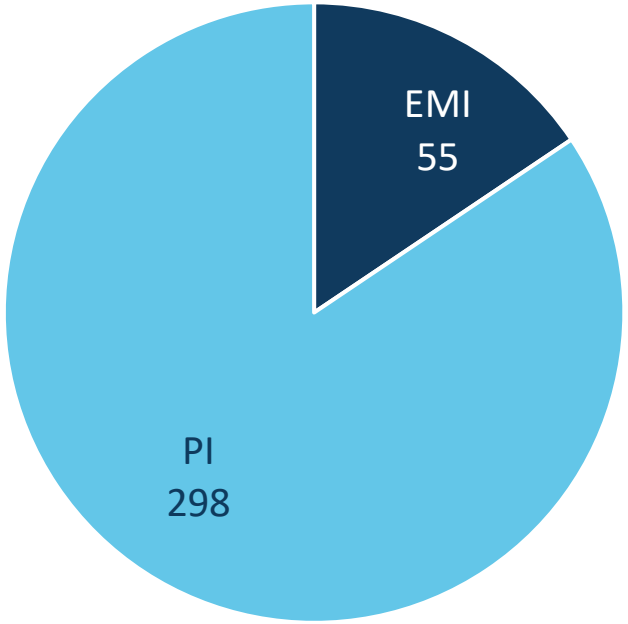
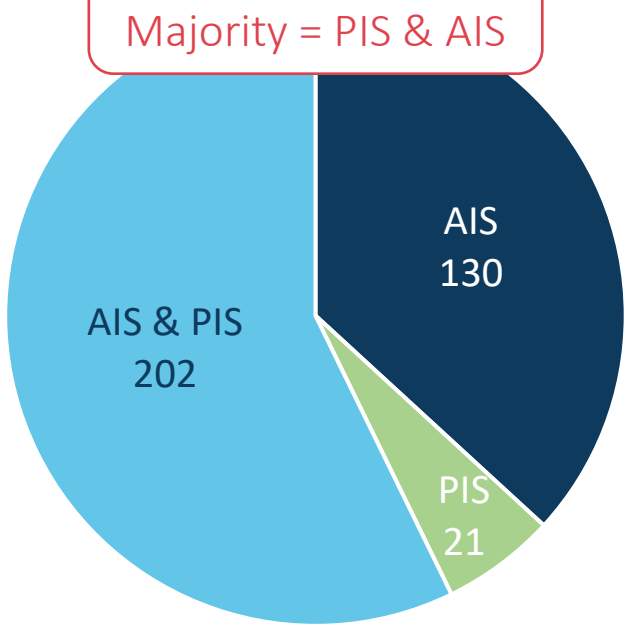
Total TPPs in EEA: 353



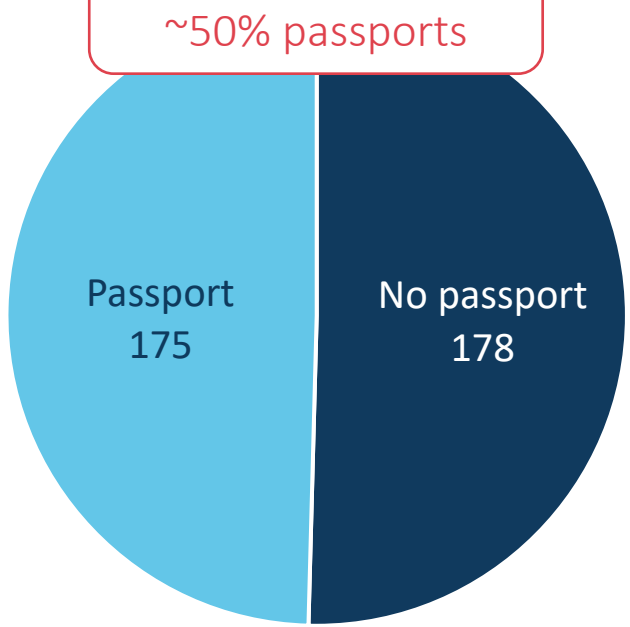
TPP types

Conclusion 1
Majority = PIS & AIS



TPP services

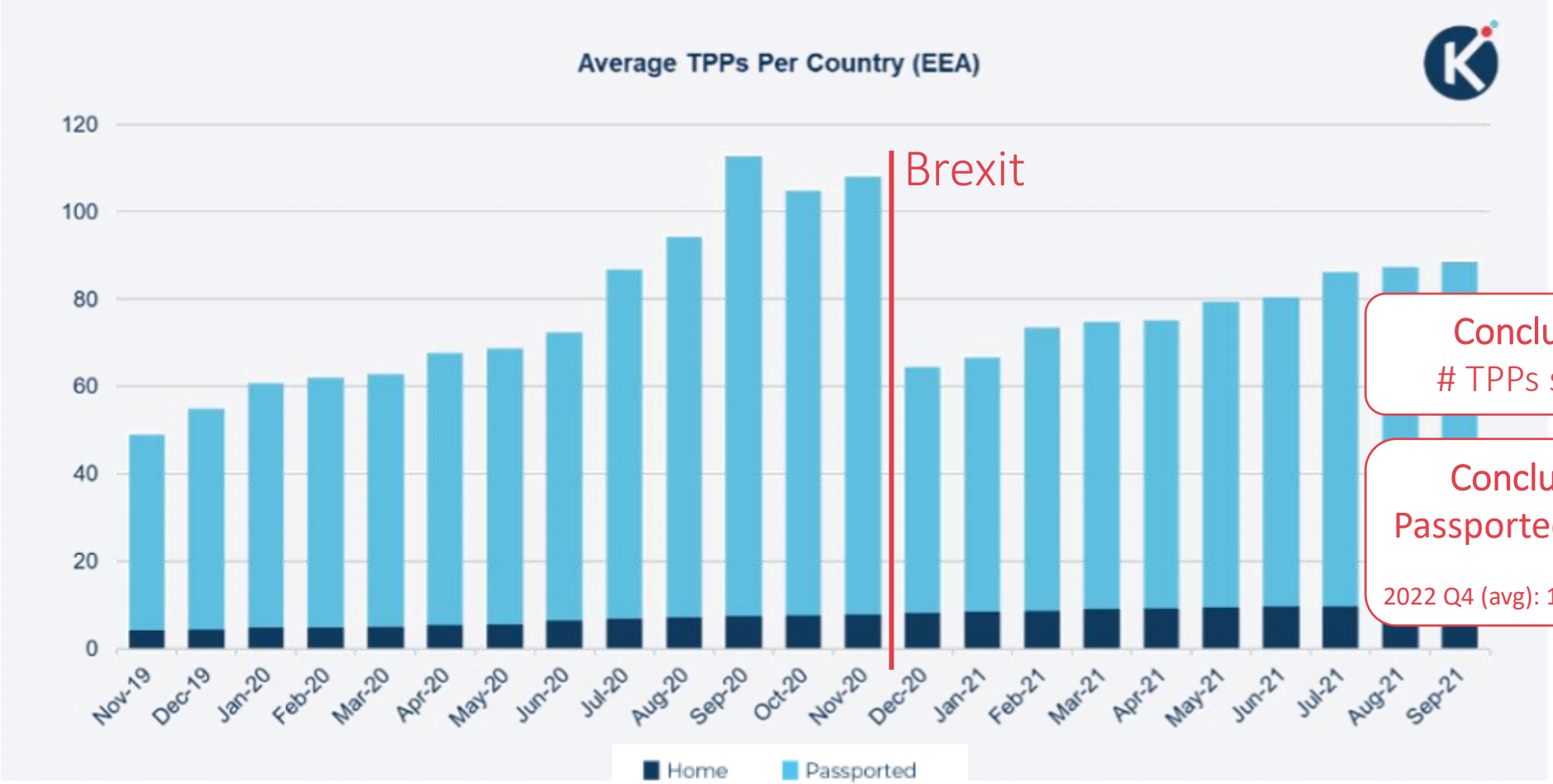
Conclusion 2
~50% passports



TPP passports

Source: https://www.konsentus.com/tpp-trackers/q4-2022

TPPs per country (avg)



Conclusion 1
TPPs still low

Conclusion 2
Passported > Home

2022 Q4 (avg): 124 vs 13 (10x!)

Source: https://www.konsentus.com/tpp-trackers/q4-2022

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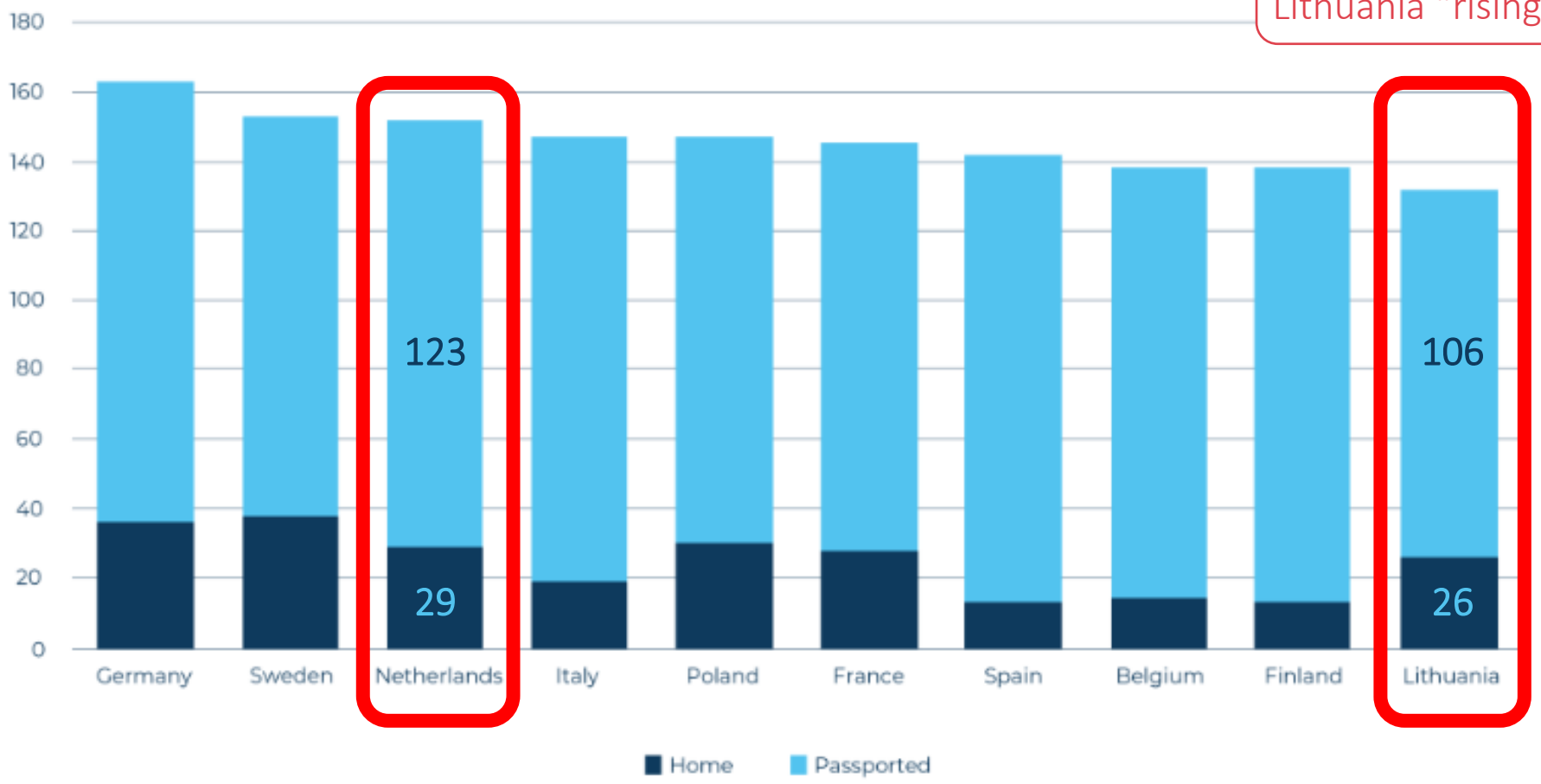
TPPs per country (top)

Conclusion
Lithuania “rising star”



Source: https://www.konsentus.com/tpp-trackers/q4-2022

TPPs 2014 vs 2020

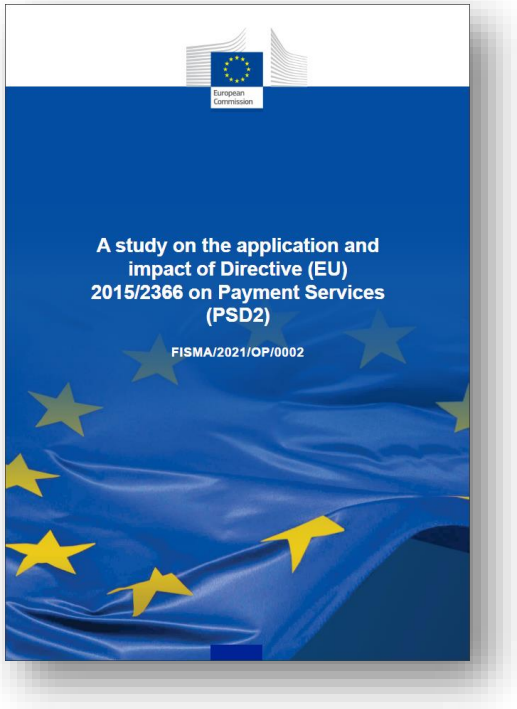


Table 2: Number of PSD2-licensed third-party providers 2014 and 2020[11]

	BE	DE	ES	FR	IT	LT	NL	PL	RO	SE	EU[12]
2014	29	53	75	44	73	40	36	33	14	97	882
2020	32	90	81	38	53	130	37	44	15	100	1072

Conclusion
50% of new: Lithuania

Source: "A study on the application and impact of PSD2", EU / EC, 2023 – ECB data

Why relevant?

- Same **market**
- Same **customers**
- Same **services**

- Different **legislation**
- Different **interpretation**
- Different **enforcement**

Conclusion

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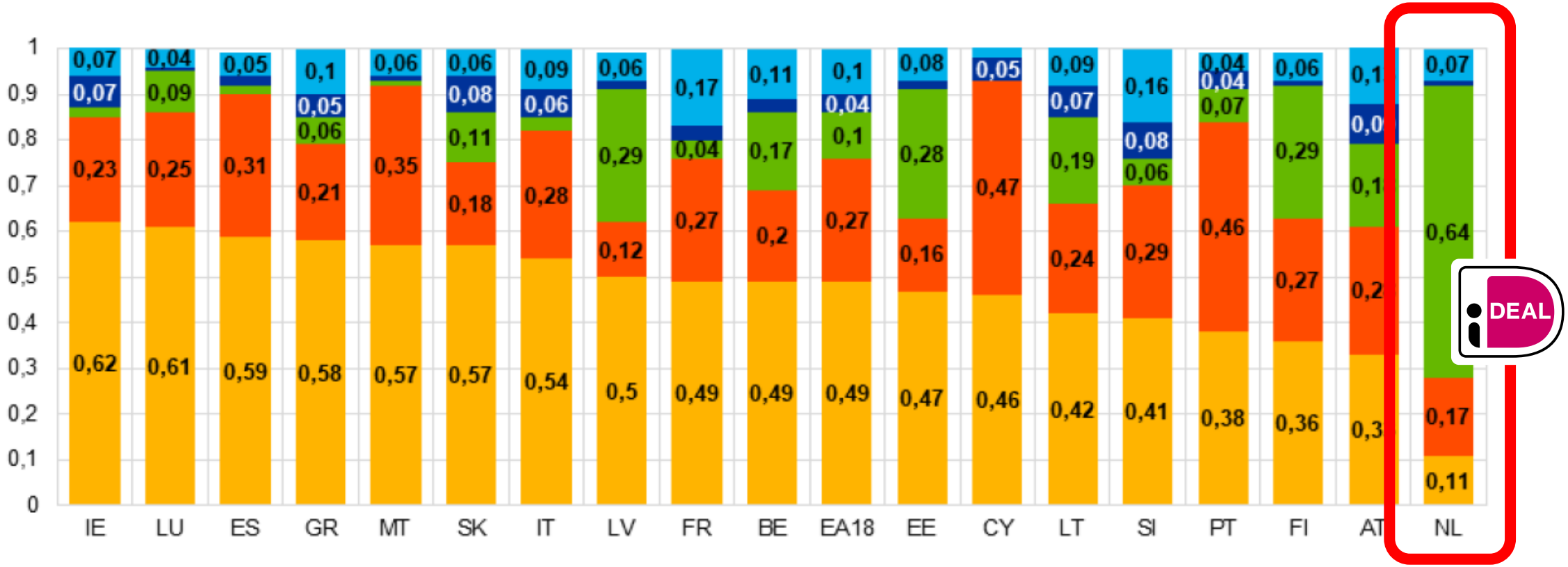
NL is different



Conclusion
Less incentive for PIS

Source: ECB, 2019

Key issues

- Legal / regulatory
- Operational
- Technical

Key issues: Legal / regulatory

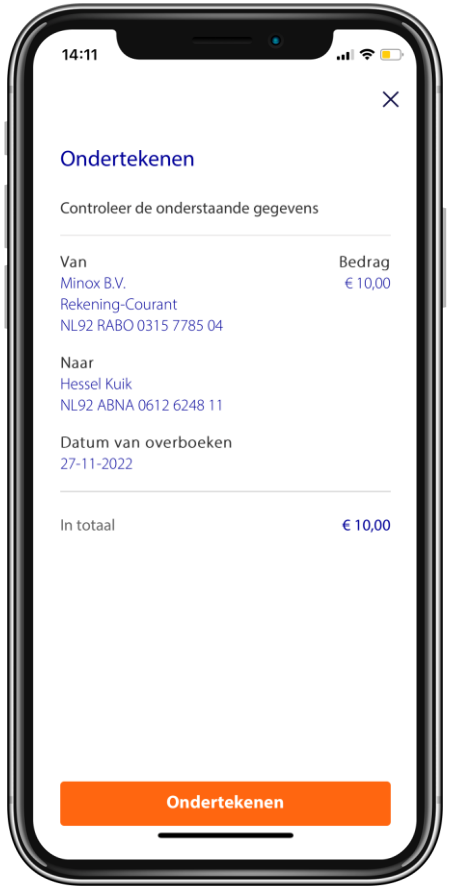
- Regulatory arbitrage
- Provisions not fully harmonized across Member States
- Definitions differ, unclear or not enforced
- Disproportionate regulatory burden compared to AIS/PIS risk profile
- Difficult (and expensive) to address key issues

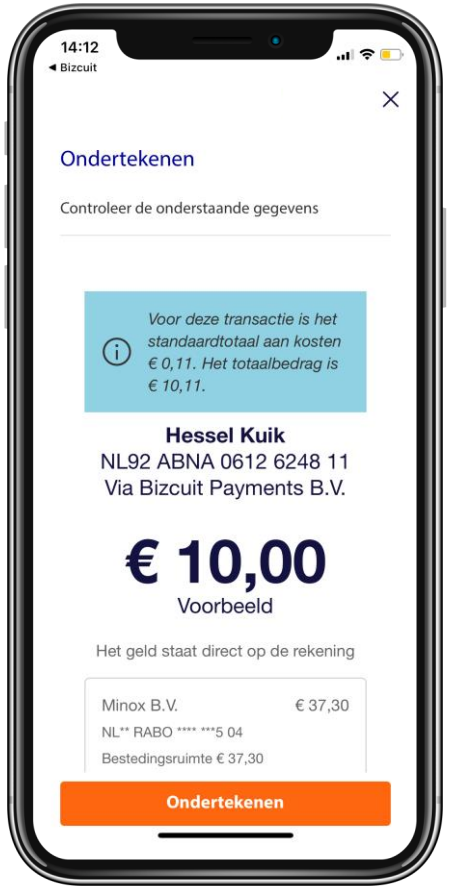
Key issues: Operational

AIS & PIS

- SCA: Customer journey cumbersome
- Access for delegated users (e.g. bookkeeper, PoA, trustee, VvE, …)
- Bank service desks not familiar with PSD2
- Inferior UX (e.g. flows, designs, copy)

Key issues: Operational





Which screen do you like better?

Key issues: Operational

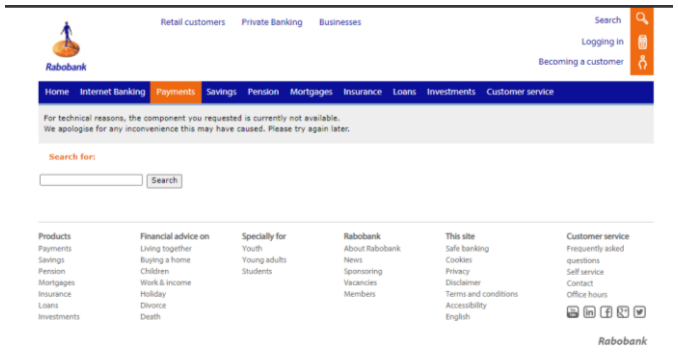
AIS

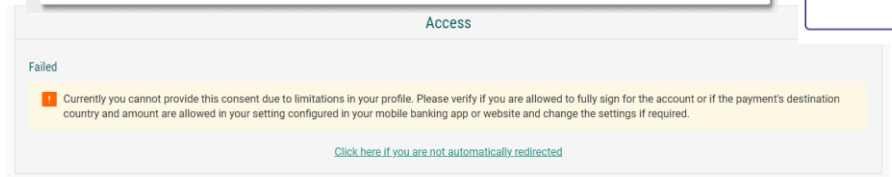
- Savings accounts and credit cards not supported
- 90 / 180 days SCA renewal for AIS, in ASPSP environment
- AIS consent per IBAN (1 bank)
- Missing fields vs CAMT (3 banks)

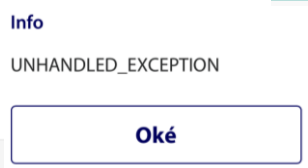
Key issues: Operational

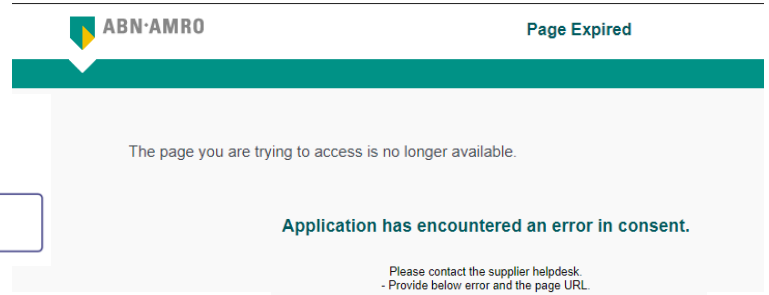
PIS

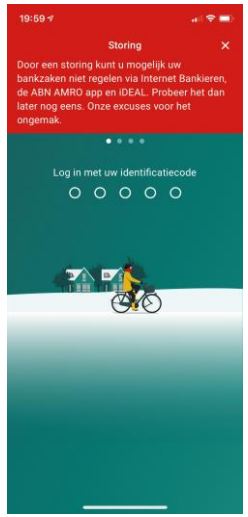
- Payment basket not supported
- Payment Certainty Mechanism not supported
- Dynamic Recurring Payments not supported
- PIS batch consents separate for ‘post’ and ‘initiate’ (1 bank)

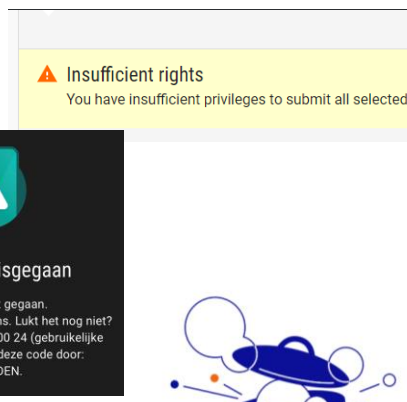




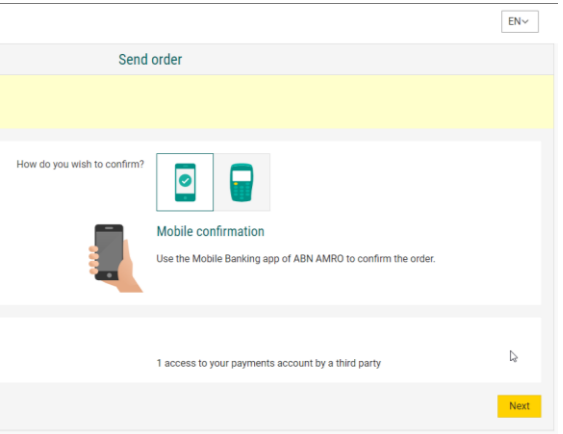


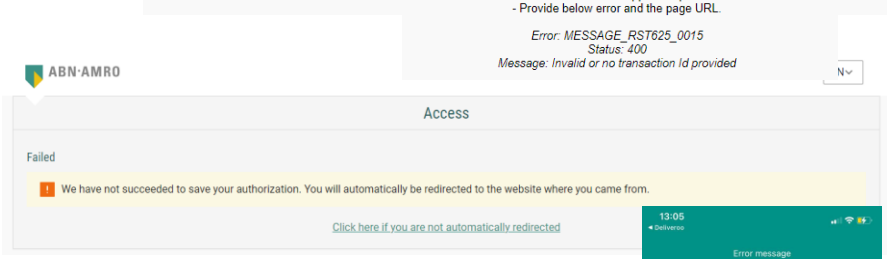


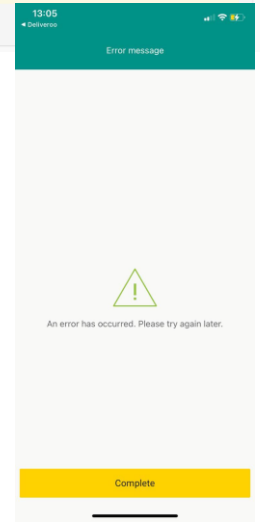


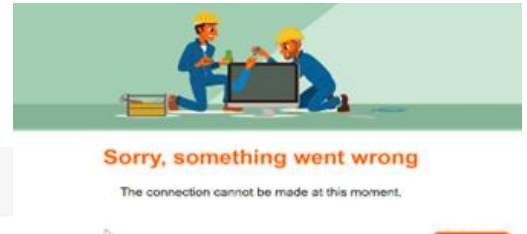


A system error occurred. Please try again later. (999)









Key issues: Technical

- APIs not standardized
- Sandboxes are of limited use
- Bugs and outages
- API quality / design

  - Complex / ugly logic (e.g. string operations)
  - Response codes not clear and/or not (clearly) documented
  - Data integrity issues
  - AIS transactions do not have an ID (1 bank)
  - Multiple IDs and/or data formats via same API (1 bank)
  - eIDAS certificate replacement issues (2 banks)

Conclusion

PSD3 (2027?)

- Standardization and interoperability (QR codes, interfaces, APIs)?
- Remove SCA renewal for AIS?
- AIS scope: Savings, credit cards, mortgage, insurance, pensions, investments?
- Delegate SCA to TPP?
- AML requirements (CDD / TM)?
- Harmonization of provisions, definitions, etc.

  (PSD2, RTS, AML, GDPR, EMD2, SFD, DORA, MiCA, DMA, Open Finance, CDBCs, BNPL, eID)

Commercial APIs (2022 - ?)

AIS

- No 180-day SCA renewal
- Savings accounts in scope
- No 4x per day retrieval limit

Other

- SEPA direct debit in scope
- PSD2 does not apply (no CDD/TM)

SPAA* (2023 / 2024?)

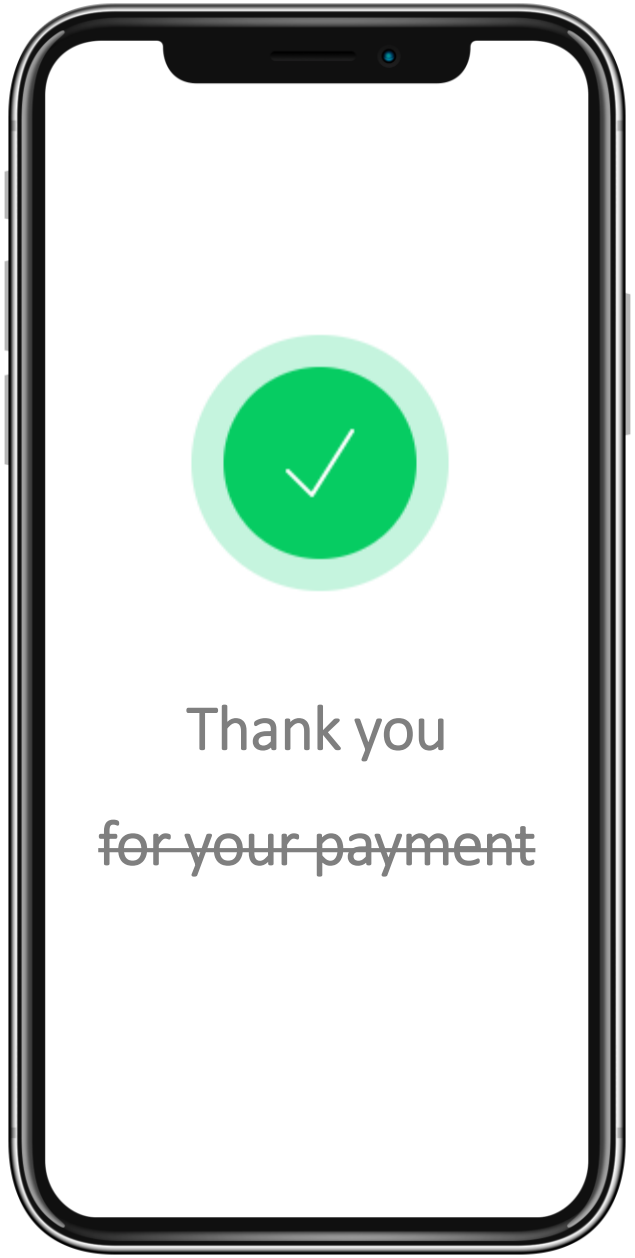
AIS

- Standard APIs
- No 180-day SCA renewal
- Savings accounts in scope
- No 4x per day retrieval limit

PIS

- Standard APIs
- Payment basket
- Payment Certainty Mechanism
- Dynamic Recurring Payments

**) SPAA = SEPA Payment Account Access (applies on top of PSD2, scope: optional premium services / features)*


Thank you
for your payment