

European Open Banking: only slightly ajar

Strategy& Payments and Open Banking Survey
September 2020



Payments & Open Banking Survey 2020

Consumer survey across 12 countries

Sample and methodology

Sample 2020



3,500 participants



12 countries



Online questionnaire via Google Survey



August/September 2020



10 questions



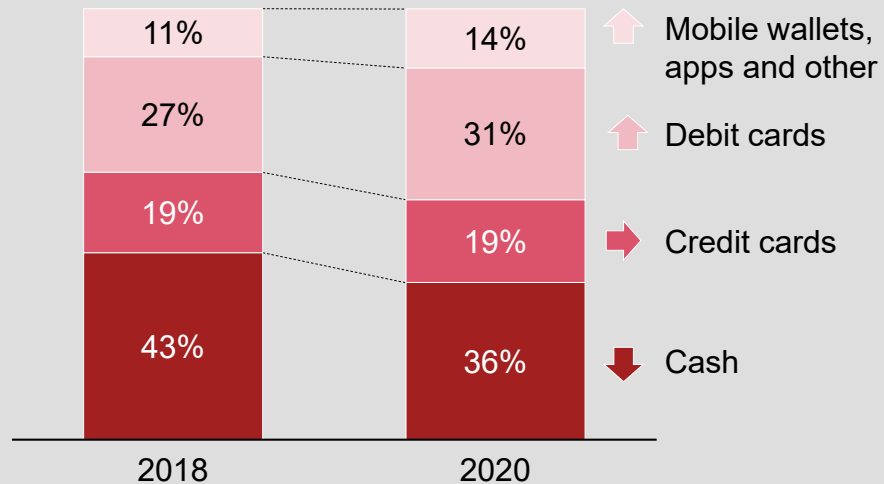
2018/2019

- Similar survey conducted with same method two years ago (Google Survey, 10 questions, October/November 2018)
- 10 countries (2020 sample excluding Ireland and Turkey)
- 2,500 participants
- Comparisons in this presentation are always made on a like-for-like basis (i.e. when comparing to 2018 data only the data from the same 10 countries is used in 2020)

Changes in payment behavior: Cash displacement accelerating across Europe

Preference for cash is decreasing...

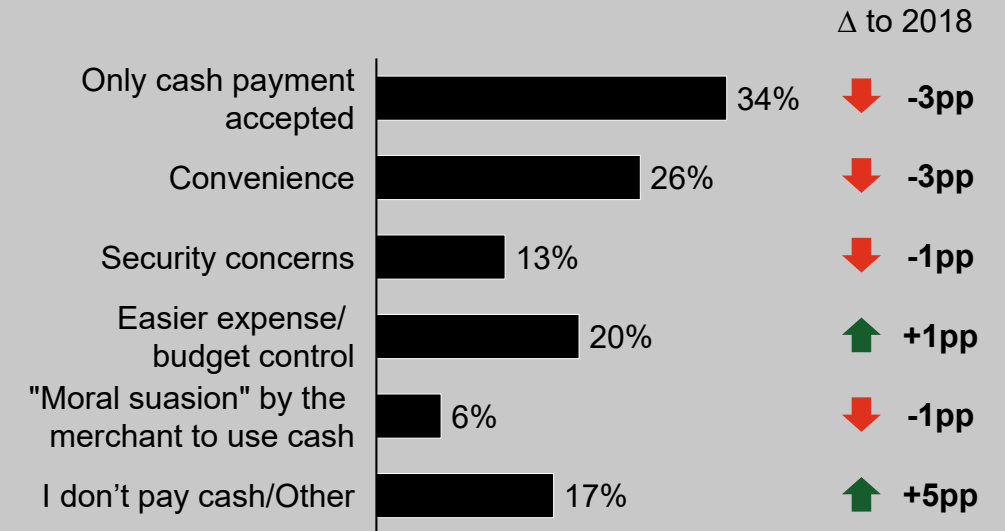
? What is your general preference for payments when you are shopping or paying for services?



- Significant decline in preference for cash across countries
- Debit cards benefit the most – plastic is not dead (yet)

...acceptance and mindset changing

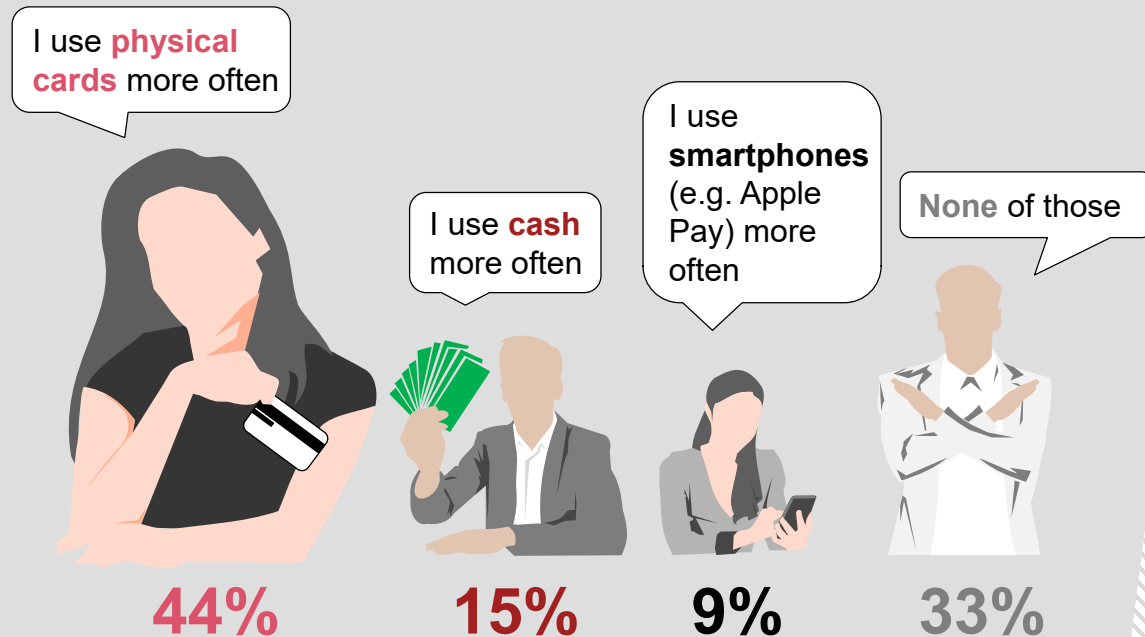
? In situations where you pay with cash – what are the main reasons?¹⁾



- Infrastructure improvements and increasing familiarity with cashless payments further support development

COVID-19 a further catalyst for cash displacement...

? How did the COVID-19 crisis impact your payment behavior when shopping in stores?



...and is expected to have a lasting impact

? Do you expect to reverse the COVID-19 crisis induced changes in your payments behavior when shopping in stores after the crisis?



Every other person will **not change** back their payment behavior after the COVID-19 crisis¹⁾

One third are still **unsure** how their behavior will change (or not) after the crisis

Only one in five expects to return to their **previous payment behavior**²⁾

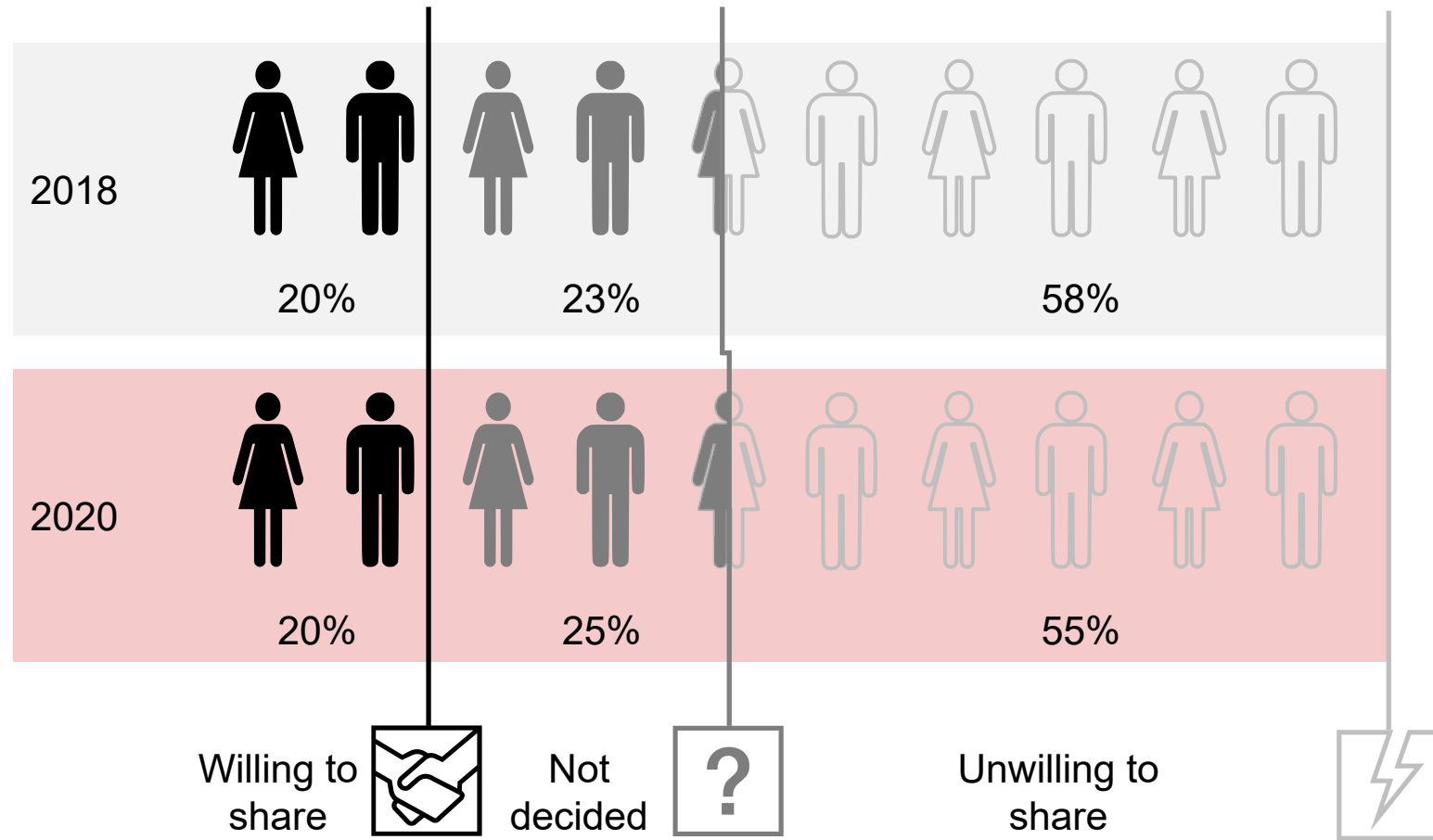


Is the move to cashless payments, and the related increase in available data, already fueling Open Banking?

Not quite yet.

Open Banking: still only slightly ajar

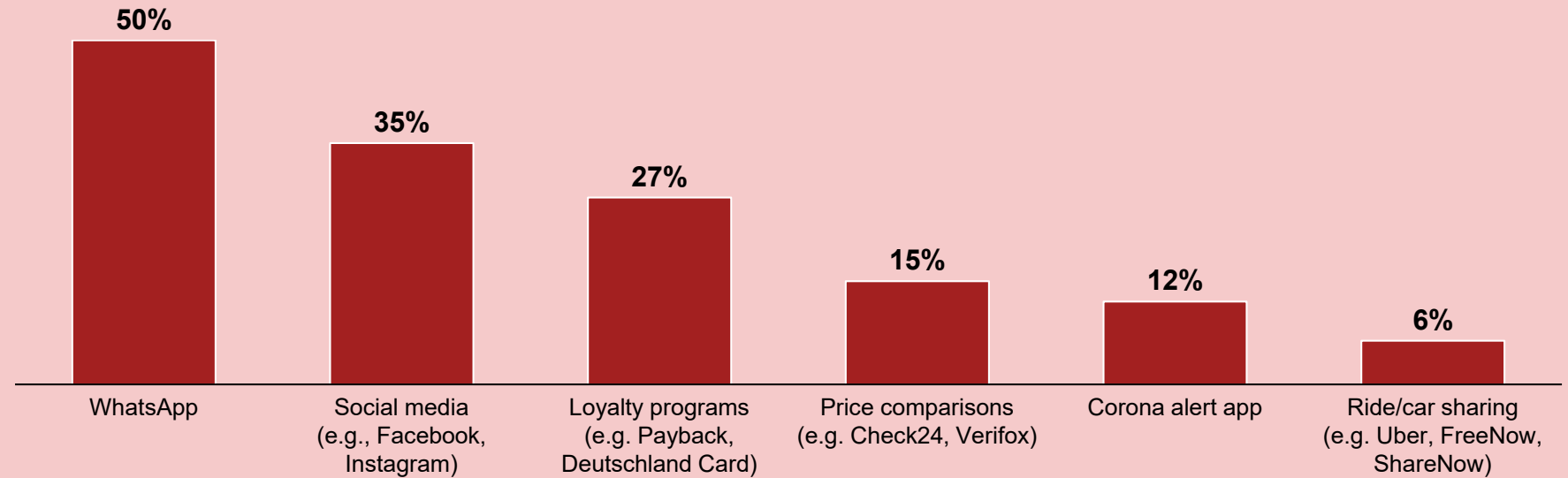
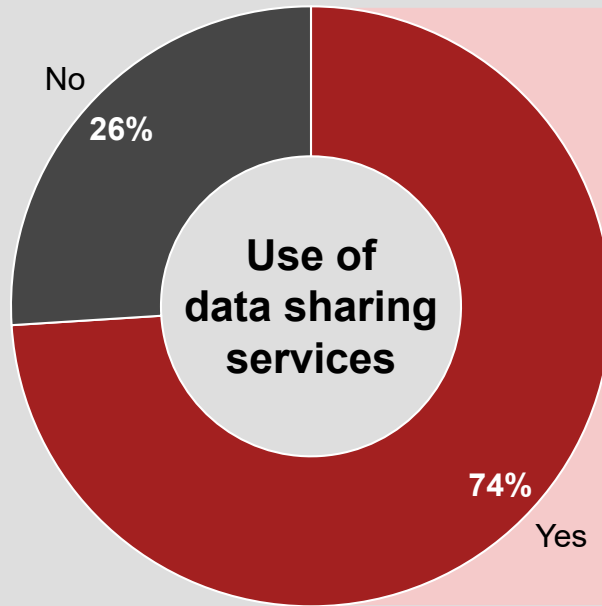
General willingness to share data in exchange for benefits



- Overall, an almost unchanged picture in willingness to share data since 2018 in most countries
- The proportion unwilling to share decreased significantly¹⁾ in Germany and Switzerland, but increased in Spain and Netherlands
- Large variation in willingness to share: around 30% in Switzerland and Poland but less than 13% in Spain and France



Which of the following products do you use?¹⁾



Taking a broader view: Actual data sharing beyond banking suggests wider reach is possible

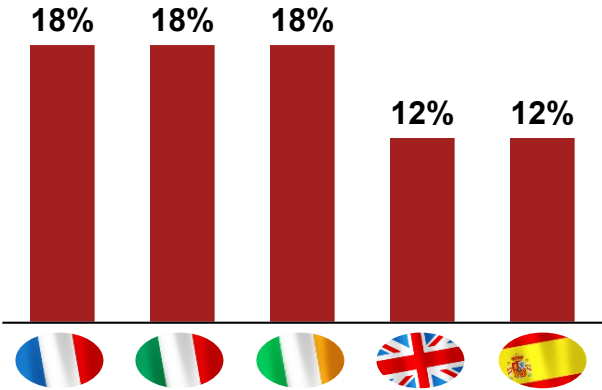
Attractive benefits needed to make Open Banking a success

For what type of benefits would you be willing to share your bank data?¹⁾ (top 5 countries, %)



Shopping discounts

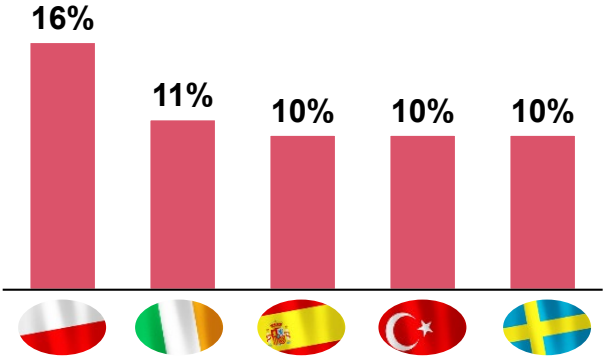
#1 in 9 out of 12 countries





Free banking product use

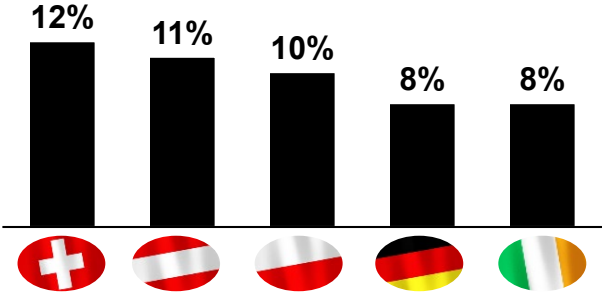
#1 in 1 out of 12 countries





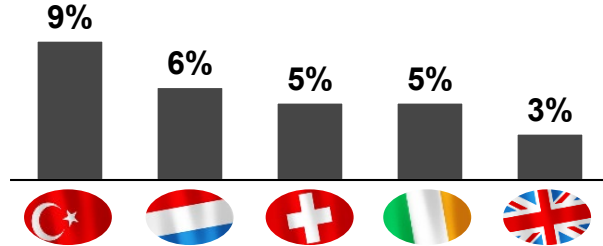
Automated tax declaration

#1 in 2 out of 12 countries





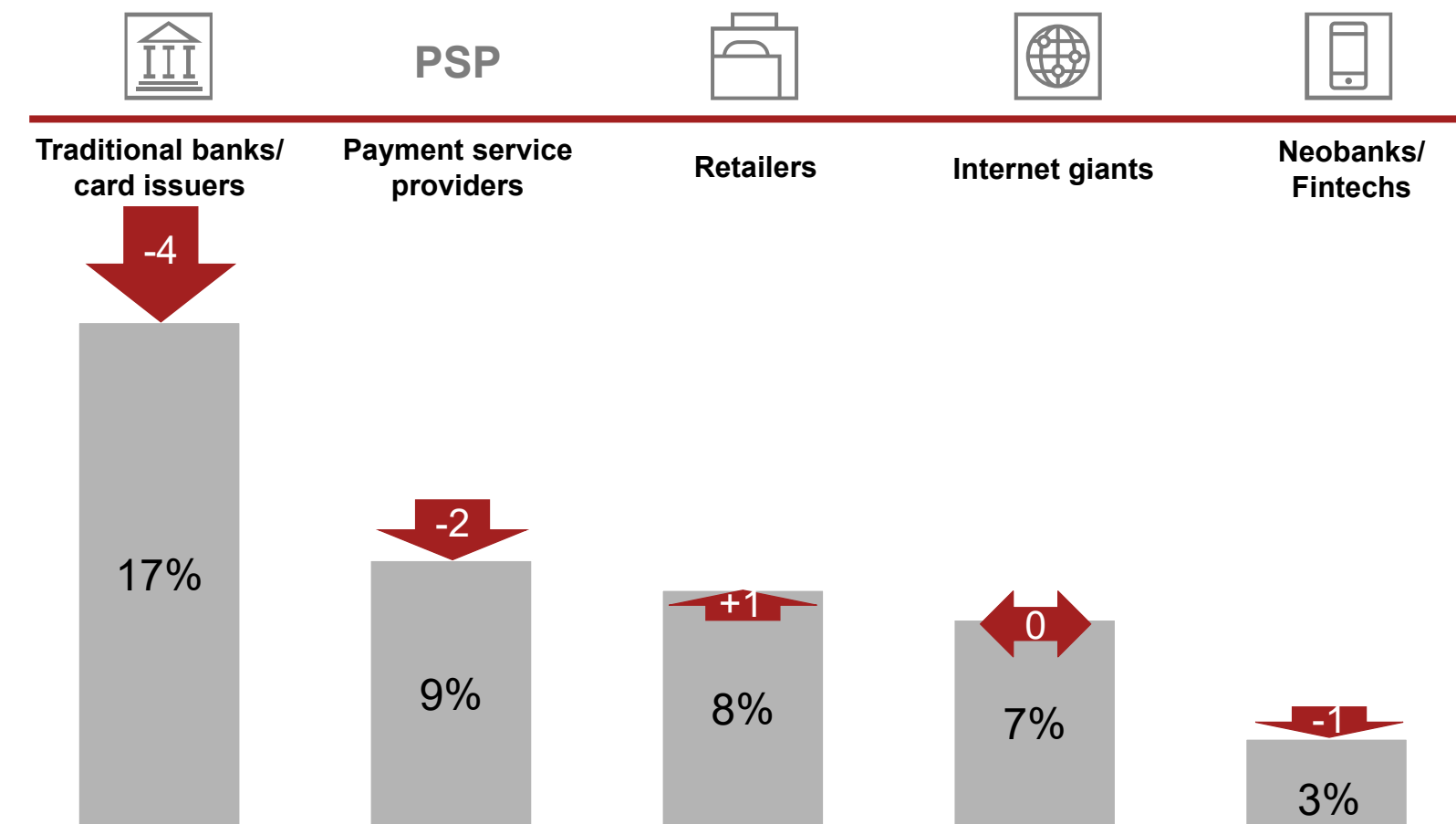
Account aggregation



Banks still most trusted – but lead is shrinking

Trusted provider for data sharing (% of respondents in 2020, change 2018-2020)

- Traditional banks maintain a trust advantage over other players
- However, the trend is not moving in banks' favor
- All players face huge challenges in increasing willingness to share
- Building trust and convincing benefits remain key priorities



■ 2020 ↗ Change 2018-2020 in percentage points

Question: With whom would you share such data? (multiple answers possible)
Note: total figure calculated as weighted average based on population numbers
Source: Strategy& Payments Survey 2020, Strategy& Payments Survey 2018 (10 countries)

Move forward

- Open Banking: still only very slightly open – further convincing required with right use cases
- Actual data sharing beyond banking suggests wider reach is possible – but which use cases will help?
- Shopping discounts are most desired benefit across countries; popularity of other benefits varies
- Banks need to act now to leverage their status as most trusted player



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