Ipsos MORI
Social Research Institute

March 2018

# Open Banking

# Data Sharing Dilemmas

## A report prepared for Barclays

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# Foreword

Money, and how we manage it, is a current that runs through all our lives. All manner of companies help us spend it, save it and protect it. But it can be difficult to keep track of it and decide what financial products are right for us. Open Banking promises to revolutionise our lives: giving us new insights into what we value and where we can save; personalised quotes and products tailored to our way of life; convenient services that deliver effortless savings and the avoidance of unwelcome fees and charges. Data sharing, big data science and artificial intelligence are powering this revolutionary evolution in financial services.

But with every technological advance, and indeed every transition, there are concerns and worries marching in their train. And open banking is no different. As consumers, to make the most of the opportunity presented by open banking, we may also have to face up to the risks that it creates as we expose deeply personal information about ourselves to companies whom it is impossible to truly 'know'.

Fulfilling the promise of open banking rests on consumers stepping out and putting their 'active trust' in the industry; but fulfilling the promise also rests on the industry doing its bit to deliver services that are honest, secure, trustworthy, inclusive, accountable and respectful of people's lives (and data). Anything less from the industry, and the promise of open banking will turn sour.

Consumers are people, and people are complex. We often understand ourselves less well than others around us; at the same time, all of us, at some level, fear exposure. Data-sharing brings with it new complexities that we simply are not able to factor into our conscious decision-making. Protection is therefore vital and thus effective regulations and sufficiently resourced and skilled regulators are too.

If we are to see the promise of open banking fulfilled, the opportunities realised for consumers and the market truly 'disrupted', we must put research like this at the heart of our deliberations about 'competition' and 'innovation'. The advances technology creates must be matched by advances in the way we understand what it is to be human, what human behaviours genuinely effect market change, and what protection is needed and effective.

Technology offers us both hope and power to re-align good outcomes for consumers with commercial benefits. The challenge is whether our ecosystem is human enough to enable the delivery of both. I must therefore welcome this research as a step in the right direction, towards a deeper understanding of our human behaviour, what it means for open banking and how it can fulfil the promise.

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*and author of 'Open Banking: A Consumer Perspective'*

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# Executive summary

Ipsos MORI was commissioned by Barclays to conduct primary research with consumers to better understand their attitudes, emotions and likely behaviour in the context of the launch of Open Banking. The main component of the study was a full-day deliberative workshop (in December 2017) with 27 participants who already used online or mobile banking. The workshop sought to:

- explore attitudes to finance and banking in general,
- track attitudes to the concept of Open Banking (as more information was introduced during the discussion), and
- identify consumer preferences for the specific processes that are central to the design and future of Open Banking – such as consent and revoking permissions.

This report is designed to understand the human side of Open Banking. By exploring the attitudes and emotions of consumers, we can facilitate the design, execution and communication of this important development; and as such help to ensure that it is a success.

## Research in context

There are many examples of technology innovations that have failed to capitalise on their early promise. Equally there have been a number of successful innovations in financial services in recent years – such as contactless, mobile wallets and online banking – where initial caution and limited up-take have been replaced by widespread adoption and use of the technologies becoming commonplace in consumer behaviour. In light of this, supporters of Open Banking need to be aware that neither the existence of the technological infrastructure alone, nor the initial attractiveness or otherwise, of specific use cases facilitated by the data sharing which Open Banking allows, will necessarily determine the success of the initiative. Understanding, and taking into account the complex interplay between consumers' personality, attitudes and emotions will be crucial to the success of the use cases Open Banking enables.

Moreover, it is important to note that consumers are only beginning to form a relationship with Open Banking and related services – for example, awareness of Open Banking was low among participants in the workshop, and they were asked to consider a number of hypothetical use cases and processes. It is likely that the interaction between consumer attitudes, emotions and behaviours will change as consumers become more familiar with Open Banking, and as services develop. However, this research project helps to understand the initial framework in which consumers approach Open Banking, and identifies the attitudes, emotions and decision making processes that will remain important to consumers as their relationship with Open Banking progresses.

With this in mind, it is helpful to consider a number of broader behavioural concepts in relation to trust, control and privacy that help provide context for understanding consumer attitudes towards Open Banking.

- The Privacy Paradox – used to describe the contrast between what consumers claim they want (more privacy) and what they actually do (disclose information). It is important to note that this paradox may be entirely rational based on concerns that inhibit behaviour; this helps frame the relationship between underlying data sharing concerns, and likely future consumer behaviour in relation to Open Banking.

- The Johari Window – a useful framework for exploring the boundaries between consumers' inner and outer lives based on whether information is known to the individual or to the world. Open Banking presents a potential significant shift in this regard, not least in the way consumers perceive information to be shared and disclosed.

- Control vs disclosure – an important concept in the design of the consumer decision architecture. Many companies and some privacy advocates champion transparent processes and meaningful choices; however, it is important to note that consumers are still able to make either irrational decisions or mistakes based on misunderstanding the consequences of their data disclosure.

- Forms of trust – a useful distinction in the expectations of consumers. Most companies operate well on 'basic reliance' whereby consumers trust the basics of the service to be delivered; however, it is more challenging to establish 'active trust' whereby a company is judged to have your well-being in mind. The highest form of trust is 'interactive trust', whereby consumers expect an organisation to support their wider needs based on a disclosure of expectations. It is important to consider consumer expectations and levels of trust in different components of the Open Banking chain, including regulators, third-party providers, and banks.

## Overall attitudes to banking, financial data and Open Banking

Participants tended to spontaneously associate banking with balances, transactions and personal information. When prompted, they were conscious of the significant insight that could be obtained by accumulating different information over time to infer details about consumer lifestyle, personality and circumstance. Furthermore, they had a strong sense of defining good and bad customer service with regards to data, which centred on transparency, accountability, choice and security.

For most participants, this was the first time they had heard of Open Banking. Within this context, participants initially treated the overall concept of Open Banking with caution. Based on a description of the Open Banking proposition, most were primarily concerned about the new levels of access to and the potential use (or misuse) of information that had previously remained private. Participants feared loss of control, and many felt that they would require further information, or further positive evidence through the experience of early adopters, before being willing to give consideration to adopting Open Banking enabled services. Within this, participants were keen to learn more about why the changes were taking place, and wanted to establish the motives of those involved in developing the infrastructure and offering services. Despite being initially open to a number of hypothetical financial products and services[1], enthusiasm in these use cases tended to decline if these were to be delivered through data sharing.

There was little movement in overall attitudes to the concept of Open Banking throughout the day-long research process, with participants' underlying attitudes and assumptions (around data sharing, data privacy and financial services providers) remaining paramount in shaping their reactions. However, participants remained interested in the specific benefits offered by the hypothetical use cases, and moved towards a greater willingness to engage with and consider the mechanics of Open Banking as they explored how services would be delivered in practice. A significant number said they would

[1] Participants were introduced to four different potential use cases: i) Financial product comparison, which could recommend the best account/service to you, based on your finances/ account information; ii) Money management app, which could collate different information from across your accounts and banks; iii) Intelligent financial application services, which would speed up the loan/mortgage process based on your finances/account information; and iv) Electronic paying service, which would allow you to pay for items electronically without having to use a credit or debit card.

consider using an Open Banking service if the benefit was right for them, and that they would be happy to share access to their financial data in order to do so if the use case was compelling.

## Factors defining attitudes to Open Banking

Attitudes towards Open Banking were influenced by a wide range of factors, though not all of these factors had equal weight in determining the views of participants. This hierarchy of considerations is outlined in the model below, in which the layers reflect the weight of each level of consideration.

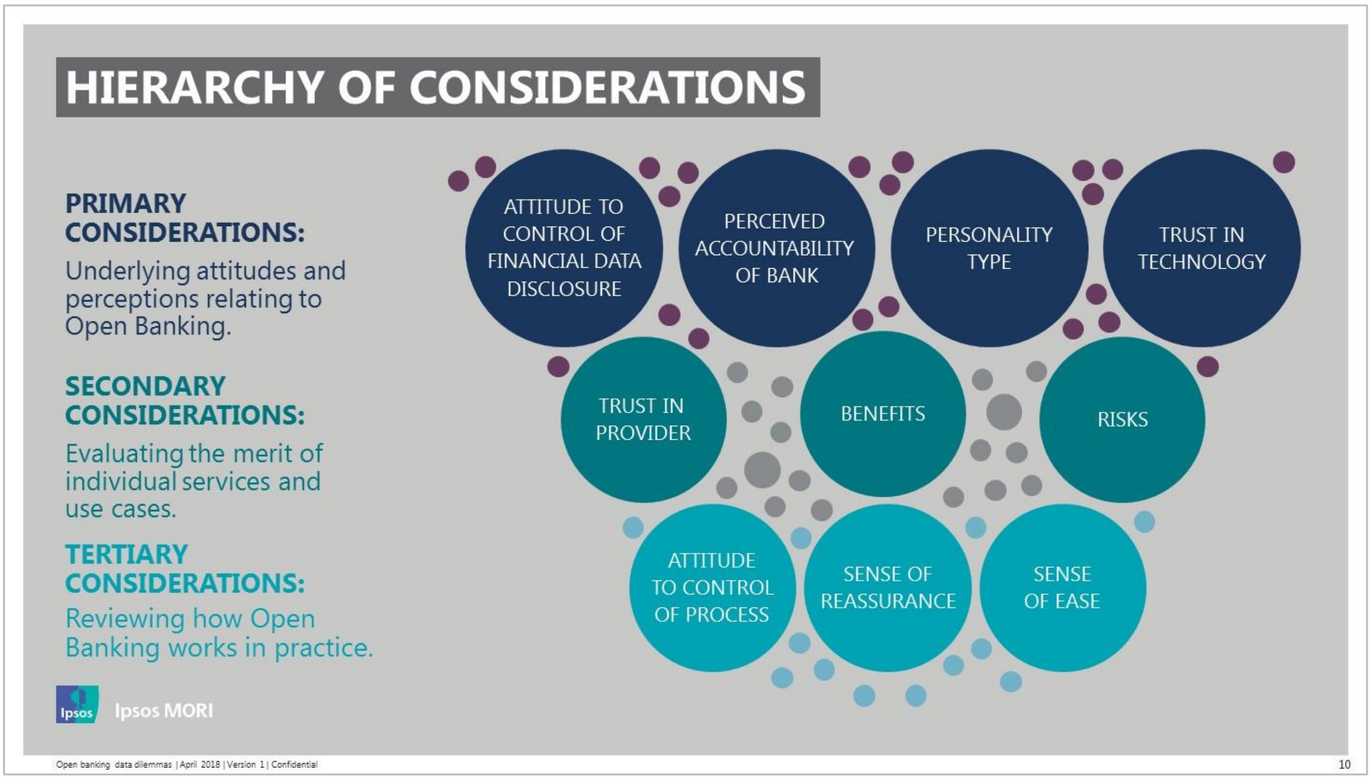
1. The primary context in which participants judged Open Banking lay largely through following their gut instincts and immediate emotions, these were driven by underlying attitudes and perceptions relating to the way they viewed financial data, data sharing in general, banks and technology. Those who had a more open attitude to financial data disclosure, who held themselves most accountable for security of data, and who welcomed technological innovation, were the most positive towards Open Banking – both in general and in the context of specific use cases.

2. These established views informed how participants then evaluated each service or use case. When considering specific services, trust in who was providing the service was just as important in mitigating concerns as the value of the benefit on offer.

3. Participants expected the processes surrounding Open Banking to be secure, quick, easy and clear, with choice and control for the consumer, and reassurance from trusted partners to support their decision making.

Each of these is considered in turn below.

Given the current phase of implementation of Open Banking, it is not surprising that underlying attitudes and perceptions are key to shaping consumer reaction. As services are developed and launched, it is likely that experience, whether personal or reported, of Open Banking will shape consumers' underlying attitudes and perceptions. However, it will still be important not to ignore the factors that shape underlying attitudes and perception. Those involved in delivering all aspects of the Open Banking ecosystem will need to retain a focus on how concerns (where they exist) can be addressed and consumers reassured and protected.




## Primary considerations: underlying attitudes and perceptions relating to Open Banking

Many participants initially viewed the concept of Open Banking as potentially leading to a loss of control over data that had hitherto being the sole preserve of the customer and their bank. Some overlooked the fact that data would only be disclosed with consumers' express permission, others were sceptical about what would happen to the data once it had been shared. This was partly driven by concern about a potential security breach and subsequent loss of funds but, more significantly, by: i) general unease among participants that other parties would have access to information; ii) uncertainty over who these parties were; and, iii) for some, a degree of nervousness about what information could be inferred from their data and how it might be used. This included concerns that information could be used for marketing, and about possible changes in access to products and services as a result of the information disclosed.

Although the Open Banking initiative has not originated with the banks, participants' expectations of the role of banks did shape the extent to which they were willing to take risks. Some saw the role of banks as facilitators, not controllers of information. These people would be prepared to take greater personal responsibility in deciding whether to share data with others, and in evaluating the terms of that arrangement. These customers would still seek reassurance from banks, but would not hold them fully accountable for security of data. Other participants felt that the banks had an intrinsic responsibility and would expect them to be accountable for the security of people's financial data wherever it is located and however used. They saw it as the bank's responsibility to safeguard their data, even if third parties were granted access to it.

Attitudes towards Open Banking were also shaped by participants' underlying personalities. Those who identified as more '*open*' and '*extrovert*' in general, were quicker to move to a specific evaluation of the merits of individual use cases – they tended to trust more readily, and would consider Open Banking if the benefits were relevant to them. Others who identified as *'conscientious'* were more likely to scrutinise the merits and infrastructure in detail, and were more concerned about the potential risks. Within the workshop, age did not appear to be a factor in people's evaluation of, or attitude towards Open Banking.

Finally, attitudes about technology were also important. The extent to which participants trusted technology shaped attitudes in three ways: i) the faith they had in how secure their data was; ii) the extent to which they were willing to engage early on in the development process; and iii) how willing they were to accept technology-led decision-making through machine learning or artificial intelligence.

### Secondary considerations: evaluating the merit of individual services

Trust in providers delivering services (either third party providers or banks) was seen as a key component to whether participants would be likely to use Open Banking services. As such, participants sought reassurance and validation of Open Banking products and services in order to help them gain basic levels of trust. This came from three different sources:

1. other consumers – through reviews and reassurance from scale of others' participation;
2. provider brand – for example consumers would use services from well established brands that they already trust, including brands that were not banks; and
3. from trusted others not delivering the front-end solution, (such as banks, regulators and consumer bodies) where they could validate the provider as a trusted partner.

Though most participants were cautious when first considering the concept of Open Banking, there was evidence that they would engage with particular services if the benefits were tangible and led to greater reward or benefit for the user. Only a few participants were primarily attracted by benefits relating to speed or ease. Instead, participants in the workshop were most attracted to use cases where the outcome either led to greater knowledge or empowerment (as provided, for example, through a financial management app) or led to direct financial benefit. Similarly, the potential loss of other rewards or benefits (such as club card points if opting for an Open Banking enabled payment service rather than a card with a points scheme) was a potential barrier to adoption.

In addition to the risks noted above, participants also perceived there to be risks in no longer being able to access some services (because the company would now have full, accurate information); and a perceived difficulty in revoking consent and controlling data, once the service has been completed or consent revoked.

### Tertiary considerations: reviewing how the process of Open Banking works in practice

Most participants expressed a desire for control over the processes that underpin Open Banking, both in the form of information at all stages to help them make better informed decisions, and flexibility to choose the terms of engagement on a case-by-case basis. They also sought reassurance from others to help mitigate against the potential risks discussed above. The sorts of reassurance they would seek included access to reviews or forms of accreditation and confirmation that a revocation of permissions had been successful. All participants expected the process to be smooth, clear and easy. Performance against these measures would inform sense of trust in a third party provider, sense of control, trust in technology and evaluation of risk. On this basis, it is clear that the ease of the mechanic has the potential to provide reassurance or undermine potential participation.

Three specific aspects of the Open Banking process were discussed in the workshop and are considered in the section below.

## Expectations of the Open Banking process

### Consent and redirection

Overall, participants thought the redirection and consent process worked well as currently proposed in the form of the three-step model whereby, having given consent to the third party provider, users are redirected to their bank for authentication and authorisation. This process largely met spontaneous expectations for ease and clarity.

Participants expressed a desire for a clearer link to revocation from the outset, so that consumers can judge how easy they believe revoking permissions will be before deciding whether or not to share their data. Likewise, participants requested additional information upfront to help them better understand how their data will be handled and utilised. Similarly, participants would value greater flexibility, allowing them to tailor and pick between specific elements of consent, granting access only to those types of data with which they felt comfortable. They appreciated this may not always be possible or appropriate. However, they made clear that they would value clarification where requested information was a necessity for the delivery of a service, and where additional, non-core information was instead being sought.

Most participants were reassured by the redirection step to the bank for authentication and authorisation. However, a small number were uncomfortable with the provider leading them from their own interface to the bank's, primarily due to concerns about security and fraud. They asked for greater clarification and transparency plus additional reassurance that they are interacting with a legitimate bank interface. Amongst those expressing these concerns, there was a consensus that it might be difficult to establish a level of security which would suit all consumers' needs. They favoured an approach which would enable consumers to select their own preferred level of security when moving from a third party provider's app to their bank's.

### Revocation (cancellation)

Being able to revoke consent and the process by which this might happen was key for participants. Many cited experiences where they had found this difficult and frustrating in the context of other services. They expected a revocation process to be easy and clear. In the context of Open Banking, although most stated a preference for revoking permissions via their bank, participants were broadly reassured by the potential that permissions could be cancelled with either the third party or the bank.

The current revocation proposals state that consumers should be able to revoke consent through either third-party providers or banks, and that a dashboard of current permissions should be available via their bank's site – these proposals were broadly welcomed by participants. The process, and dashboard concept, were seen as familiar and easy to use. However, there was a prominent need expressed for confirmation of cancellation from both providers and banks, and a broader unease at the lack of clarity around what would happen to previously collected data, once the consumer had revoked permission. Participants felt that this information should be clear from the outset, in order to ensure consumers, feel comfortable when initially sharing their data. Participants requested that the wider industry should consider the feasibility of having a range of revocation options, allowing consumers to decide to 'pause' rather than 'cancel' an account. They also felt there would be value in having an option to choose between i) all data collected through Open Banking is deleted; and ii) that previous data remains with the provider but that no new data can be collected.

### Multiple parties

It is possible that multiple third parties would be involved in delivering a product or service through Open Banking. In such circumstances, non-customer facing third-parties could be involved in facilitating the transmission of the customer's financial data to the third party providing the service. Multiple parties could be catered for in the context of obtaining consent within Open Banking. The workshop explored the question of whether consumers need to be told explicitly about other providers in the delivery chain, and if they should be asked to give explicit consent for their data to be shared with all involved third parties.

There was broad consensus among participants that consumers should be explicitly told who their data is being shared with; however, participants' views were more mixed as to the detail required to gain consent in relation to multiple parties. Therefore, although there was clear support for naming additional third parties as part of the consent and authorisation process, participants requested that providers should consider how best to provide multiple levels of information so that those who are interested in the detail can access this easily, without it being provided to all users as a matter of course. This will be particularly important in helping to build trust amongst those who currently feel the risks outweigh the benefits of adoption.

Overall, participants were, again, concerned with how their data might be used by the various parties in the chain. There were concerns expressed over whether the additional third parties would have the ability to view a customer's financial information or whether they acted only in the transportation for the data. Providers should ensure that it is clear to consumers not only which additional parties would come into contact with their data, but their role and the extent of their access.

## Conclusions and recommendations

This research offers a window in to the attitudes, emotions and likely behaviour of consumers in relation to Open Banking. To some extent, this window may be relatively short-lived given that we are still in the early-implementation phase of the initiative and that most consumers are coming in to contact with Open Banking for the first time. The attitudes, perceptions and reactions of participants at this early stage re-affirms the notion that the success of Open Banking will be driven by the attraction and performance of the services and use cases it enables. In spite of initial caution to the overall concept of Open Banking, most participants expressed appetite to adopt if the benefits were clear, relevant and reward focused. There was most enthusiasm about services which would result in a positive financial outcome for consumers, or where they would benefit directly from new insight about their finances.

As consumers gain greater exposure to Open Banking, it is likely that: i) trust, in mechanisms, services and providers will become more established; ii) that the specific benefits will become clearer and better understood; and iii) that the active concern about risks will decline. If this occurs, it is likely to become ever-easier for providers to engage consumers around the merits of individual use cases; however, it is unlikely that these underlying attitudes will fade or be altered completely. For those looking to develop products and services delivered through Open Banking, the following notes may be helpful:

- Value security, transparency, choice, control and flexibility for consumers. These were among participants' top attributes for good customer service and were evident in preferences for interacting with Open Banking services.

- Develop trust, both in your product, and in your brand. Though there may be an initial advantage for established brands, participants noted that trust could be built through positive user experience – which is ultimately shared with other consumers considering whether to sign up.

- Be aware of the underlying assumptions and perceptions that shape attitudes to Open Banking and individual use cases – many of which come from wider experiences of both inside and outside the financial sector. These help explain why take-up will differ between individuals. There is the potential both to mitigate concerns where they exist by improving information and processes, and to exacerbate concerns if they are not considered appropriately.

- Develop services with clear direct benefits for consumers. Participants tended to respond more positively to use cases offering direct outcomes than those with primary benefits around ease and speed.

- Where possible, tier the level of information offered to consumers, so that they can easily access more information if they require. Though the <u>detail</u> of this additional information is important for a smaller group of consumers, the <u>presence</u> of this information is important to a much wider group.

- Offer choice where possible. This was requested at all parts of the journey – from the terms of engagement at sign-up through to the terms of revocation. For example, creating an option to 'pause' use of the service.

- Be clear about data. In among many perceptions and misconceptions, the most common theme of questions from participants related to security of data, access to data, and use of data. Clarity on the terms of use will help reassure consumers and build trust.

Finally, it should be noted that many individual participants had conflicting preferences for how the mechanics of Open Banking should be delivered. They demanded information and empowerment so that they could sign up on what they perceived to be their own terms; however, at the same time, they expected support and validation in making good choices. Many also expected others to take responsibility if things went wrong. The findings thus confirm the current assumption that all involved in the delivery of Open Banking will need to work hard to balance consumer control, responsibility and protection from detriment.

# 1 Introduction and methodology

## Background

Open Banking launched on the 13th January putting the foundations in place for consumers to share their current account data with approved Third Party Providers (TPPs) via Application Programming Interfaces (APIs). The change allows consumers to access a host of potential new products and services from traditional financial services companies, FinTechs and TPPs.

The APIs underpinning access to Open Banking services have initially become available from the nine largest current account providers within the UK. This launch is a result of The Competition and Markets Authority (CMA) market investigation into retail banking which concluded in 2016. The market investigation concluded that older and larger banks do not have to work hard enough to win and retain customers, and that it is difficult for new and smaller providers to attract customers[2]. The CMA formulated banking remedies for organisations to create personalised and tailored solutions for consumers and SMEs[3].

Although there have been a number of studies to obtain feedback on specific aspects of the Open Banking process,[4] there has been little research to date that seeks to understand the underlying characteristics and factors that shape consumer choices. Previous research has shown that the gap between what consumers do and what they say is expansive when concerning data sharing. Consumers profess to being wary and cautious but their behaviours appear to suggest they have few boundaries. The reasons for this are multi-faceted, including that attitudes towards disclosure are not always easy to follow through into behaviour. For example, we know from Ipsos MORI's Global Trends survey that consumers in the UK are among the least willing to claim they would share personal information in exchange for personalised services, but that they are also pragmatic in accepting that advances in technology are likely to result in some losses of privacy[5]. This dynamic is particularly challenging for financial services, where data relates to personal finance.

This report seeks to explore this dichotomy in relation to both data sharing in general, as well as Open Banking specifically. The research was commissioned to gather further insight into the mind and decision making of the consumer, considering the concerns of consumers when faced with data sharing, as well as identifying consumer needs and likely behaviours when making decisions about Open Banking. This research builds on previous research conducted on behalf of Barclays exploring consumer perspectives on APIs. In 2015, Barclays published a report which explored the views of consumers and small businesses in relation to possible use cases of open APIs and permission based sharing that would

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[2] Making banks work harder for you, The Competition and Markets Authority, August 2016 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/544942/overview-of-the-banking-retail-market.pdf

[3] Openbanking.org, About us, https://www.openbanking.org.uk/about-us/

[4] For examples, see: Consumers' Initial Reactions to the new services enabled by PSD2, Accenture (2016), https://www.accenture.com/t00010101T000000Z__w__/gb-en/_acnmedia/PDF-29/Accenture-UK-Banking-PSD2-Consumer-Reactions.pdf; Use of Personal Data, Equifax/YouGov (2016) https://www.equifax.com/assets/unitedkingdom/yougov_survey_use_of_personal_data.pdf; Open Banking – are consumers ready?, Ipsos Mori (2017), https://www.ipsos.com/ipsos-mori/en-uk/open-banking-are-consumers-ready

[5] Global Trends Survey, Ipsos MORI, September 2017. http://assets.ipsos-mori.com/gts/ipsos-gts-report.pdf

underpin this access[6]. In January 2017, Barclays published another piece of commissioned research; Open Banking: A Consumer Perspective. This research explored the perceptions of consumer experts about Open Banking[7].

## Objectives

Building on previous work conducted by Ipsos MORI on behalf of Barclays, the project had three key objectives:

- To identify the psychology and personality factors/emotions in decision making around data sharing, and in relation to adopting and using Open Banking services.
- To identify consumer views and attitudes towards how they want to control data sharing, revoke permissions and conduct authentication when using Open Banking services.
- To identify what frameworks/tools/information/friction will help empower consumers to make confident decisions regarding Open Banking.

## Methodology

In order to best explore the thought processes and attitudes when considering sharing financial data, the project consisted of a two-part methodology. The initial scope drew on existing evidence and interviews, as well as an additional primary research interview with academics. Discussion was based around consumer issues related to data sharing, the ways in which new technology can create behaviour changes, and understanding the best ways in which to help consumers make informed decisions.

The main component consisted of a full-day, deliberative workshop with 27 participants to explore Open Banking in detail, and financial data disclosure more widely. A full-day event allowed for exploration of unprompted and underlying factors, and tracked attitudes as more information is revealed.

The project used pre and post workshop questionnaires in addition to gather opinions and track any movement in attitudes throughout the day, as well as to find out whether any stimulus presented to the participants affected their thoughts on Open Banking.

### Approach to deliberative workshops

A deliberative workshop approach was taken due to the complex nature and low levels of awareness of the issues around data sharing and Open Banking. A workshop is an ideal, open environment that gives people time and space to learn new information, ask questions, change their minds and develop their views with others like them. The workshop also allowed for sufficient time to explore a larger number of variables via case studies and other stimuli, so participants could see how data-sharing currently operates in financial services and other industries.

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[6] Open API: Exploring the views of consumers and small businesses, Ipsos MORI, November 2015. https://www.ipsos.com/sites/default/files/publication/1970-01/marketing-open-api-barclays-2015.pdf

[7] Open Banking: A Consumer Perspective, Faith Reynolds, January 2017. https://www.home.barclays/content/dam/barclayspublic/docs/Citizenship/Research/Open%20Banking%20A%20Consumer%20Perspective%20Faith%20Reynolds%20January%202017.pdf

A single, day-long, deliberative event was chosen, using a mixture of plenary and group discussions. This gave the moderators freedom to move into different groups throughout the day, with the first three sessions grouped by age, and the final sessions grouped by attitudes to data sharing and Open Banking.

## Sampling

A total of 27 individuals were recruited through free-find in-street recruitment to attend the full day workshop. The quotas used to recruit were reflective of the digital banking population: all participants used digital banking at the time of recruitment and, as such, the recruitment was reflective of a younger population. As shown in the table below, the workshop was otherwise broadly representative by gender, work status, social grade and ethnicity.

| | | |
|---|---|---|
| Age | 18-24 | 7 |
| | 25-34 | 8 |
| | 35-44 | 3 |
| | 45-54 | 3 |
| | 55-64 | 3 |
| | 65+ | 3 |
| Gender | Male | 14 |
| | Female | 13 |
| Work status | Employed full time | 16 |
| | Employed part time | 1 |
| | Unemployed | 3 |
| | Student | 3 |
| | Retired | 4 |
| Social grade | B | 7 |
| | C1 | 9 |
| | C2 | 5 |
| | D | 3 |
| | E | 3 |
| Ethnicity | White British | 19 |
| | Portuguese | 1 |
| | Black African | 1 |
| | British Indian | 1 |
| | Black British | 3 |
| | White American | 1 |
| | White Other | 1 |

A recruitment screener was used to gather a broad understanding of the participants' dispositions to data sharing and ensure that participants reflected the full range of public opinion. Questions included asking which financial products they currently held, how they managed their bank accounts, how frequently they accessed their accounts via digital banking, as well as statement based questions around data sharing, shown below.

## Structure of workshop

The day was structured to take participants on a journey to discover and understand the new changes coming in January 2018. The table below provides an overview of the deliberative discussion. Throughout the day, several handouts were given to the participants to consider. These helped visualise case studies, instances in which financial data is already shared, and helped to focus the participants on the topic of Open Banking.

| | |
|---|---|
| Pre-workshop questionnaire | • Attitudes to finance & banking.<br>• Attitudes to digital banking.<br>• Openness to try new things & financial products.<br>• What was deemed important in financial consumer service. |
| Plenary 1 - Introduction | • General aims of the project.<br>• Ipsos MORI staff involved.<br>• Participants contributed immediate, emotional associations with banking. |
| Discussion 1 | • Participants split into three aged-based groups.<br>• Topics included where financial data is already shared; loans, digital shopping, regular & on-going payments, third-party access, such as Yolt or Money dashboard.<br>• Considering which emotions drive these decisions.<br>• Which organisations are trusted. |
| Plenary 2 | • Introduction to open banking and four use cases; financial product comparison service, money management app, finance application service, and pay by bank service.<br>• Participant immediate and emotional responses to Open Banking. |
| Discussion 2 | • Responses to four use cases and Open Banking, and whether participants would use these services.<br>• Considered if participants would use these services and what the most important factors would be in shaping whether they'd use these services. |
| Plenary 3 | • Feedback on what makes good consumer service?<br>• Review of perceived risk vs benefit of Open Banking:<br>• Details of three part consent process, revocation of consent, and onward provisioning. |
| Discussion 3 | • Discussion of three-part consent model, revocation/cancellation, and onward provisioning, and how consumers felt about these processes.<br>• Who consumers would contact to cancel.<br>• Focus on which emotions are driving their opinions and decision making in taking up Open Banking. |
| Plenary 4 | • Review of perceived risk vs benefit of Open Banking: |
| Discussion 4 | • Participants divided into three groups based on how risk averse or open they were.<br>• Acting as either the banks, the third-parties, or the consumers, participants summarised key objectives, messages and language, and how information should be received by consumers. |
| Plenary 5 – Final | • Wrap-up of day and summary of discussions.<br>• Asked if they would use Open Banking if their recommendations were actioned, identified key factors shaping decision making, and captured the final risk vs reward attitudes. |
| Post-workshop questionnaire | • Assessed attitudes to Open Banking<br>• Assessed whether they would use any of the Open Banking services |

## Interpretation of data

The workshop provided a wealth of consumer opinions, attitudes and experiences about data sharing and, more specifically, judgements of Open Banking. The deliberative approach helps researchers shed light on why people hold particular views, rather than how many people hold these views. The length of the workshop allowed an in-depth explanation of Open Banking to be provided, allowing participant to share a more diverse and nuanced view, as well as allowing researchers to understand how these attitudes might be altered. This report aims to provide an exploration of the findings, giving insight into specific perceptions, rather than statistical evidence of certain opinions.

Due to the relatively small number of participants, in comparison to large quantitative data collection methods, the results should not be extrapolated to the whole population, but rather, are intended to inform stakeholders of Open Banking, of how the public may react or feel when considering Open Banking. However, notions which are mentioned various times during discussion may express emergent views.

During the reporting, various analysis techniques are used to identify how important an idea is, focusing on the strength of feeling about a point. Sometimes it is important to note which ideas were discussed by most of the participants, this is done through language such as "a few" or "some" to reflect views which were mentioned infrequently and “many” or “most” when views are more frequently expressed.

Verbatim comments have also been included in the report, to highlight key points which follow the general consensus across the participants or to illustrate strong viewpoints held by a smaller group. Where verbatim quotes have been included, they have been anonymised and attributed by age category and gender.

Where figures have been presented from the pre-post questionnaire, these should be seen as indicative only, rather than representative of consumer overall.  As such, results have been presented as raw figures rather than percentages due to the small base sizes involved.

# 2 The behavioural context to Open Banking

Open Banking raises a host of challenges and opportunities for financial services organisations. The opportunities have been well documented – Accenture report that US$1 billion was invested in PSD2 enabled services in 2016[8] (up 200% from 2015). What has received less attention is understanding the challenges that potentially stand in the way of making Open Banking a success. History contains a litany of examples of the way in which much vaunted technology based solutions have failed to fulfil their apparent promise. Equally there have been a number of successful innovations in finances services in recent years – such as contactless, mobile wallets and online banking – where initial caution and limited up-take have been replaced by widespread adoption and use of the technologies becoming commonplace in consumer behaviour.

Part of the reason for the failure of technology-based solutions can often be understood by examining the very human behaviours that sit underneath their adoption. If we have had years of behaving in certain ways, then it is by no means certain that we will automatically switch to new services simply because technology has made them possible.

To this end, we need to examine the psychological characteristics that may shape adoption of Open Banking. If we can understand what these are, then we can identify the way in which the design of Open Banking services can be optimised to best meet the needs of consumers. With this in mind, there are three areas of human psychology which are high on the agenda to properly understand – privacy, control and trust.

## Privacy

Privacy is effectively the way in which we police the boundaries between our inner and outer worlds. What we may consider to be outer world and therefore public, and what we consider to be our inner world and therefore private will, of course, vary as a function of context, individual preference, society norms etc. Traditionally, our banking data has been considered very private and something that we need to guard carefully. Given that Open Banking represents a significant shift in mind-set for many consumers, it is worth thinking carefully about the way in which privacy operates and how this is changing.

A useful framework to understand the way in which we think of the boundaries between our inner and outer lives is the Johari Window[9]. It was created in the 1950s by psychologists Joseph Luft and Harry Ingham. The Window divides all relationships into four areas, determined by whether the information is known to the individual or the world, or for our purposes, to the individual or the organisation.

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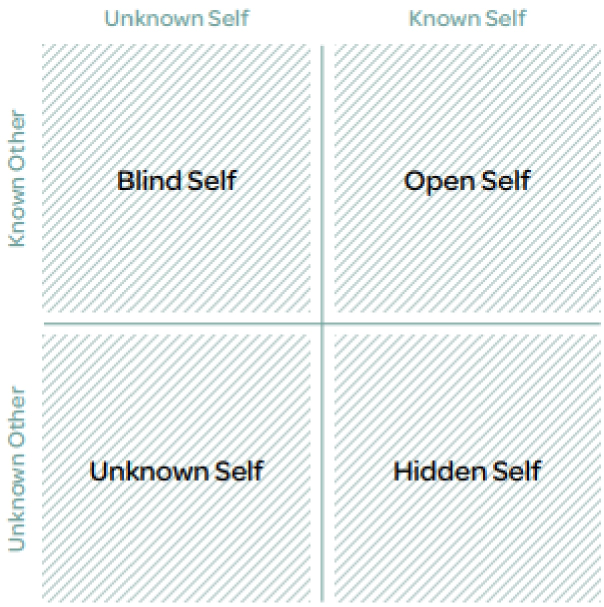
[8] Accenture Research analysis on CB Insights data. See https://www.accenture.com/t20170629T215524Z__w__/us-en/_acnmedia/PDF-56/Accenture-Strategy-Digital-Open-Banking-POV.pdf

[9] Luft, J.; Ingham, H.,The Johari window, a graphic model of interpersonal awareness, Proceedings of the western training laboratory in group development , UCLA, 1955.




To elaborate on the four categories:

- Open Self: This is where the information is shared by both the individual and the third party.
- Hidden Self: This is information that I know about myself but the third party does not know.
- Blind Self: This is where a third party knows things about me that I don't know about myself.
- Unknown Self: This is where information about me sits that neither the third party nor I know.

In the context of Open Banking, there are fundamental shifts in the way in which our privacy will change. The information about our financial behaviour that was previously in the 'Hidden Self' will potentially decline significantly as third parties have access to our banking data – and there will be a commensurate increase in 'Open Self'. We can also argue that we will start to see a decline in Blind Self, as applications proliferate that help us to understand ourselves (e.g. budgeting apps). Moreover, we are becoming more aware that the Blind Self exists, even if we do not know the scale of data or outcomes it holds. Finally, arguably, as third parties get better at developing more insights from our banking data, there will be a decline in the size of the 'Unknown Self'.

But, we can argue, in a hyper-connected world, do consumers actually care about privacy? It is easy to assume that these fundamental shifts in what brands know about consumers is increasingly accepted by consumers who appear very willing to disclose information about themselves despite protestations to the contrary. Indeed, there is a much vaunted 'privacy paradox' between what consumers claim they want (more privacy) and what they do (disclose information about themselves).

However, the 'privacy paradox' is somewhat more complex than a case of consumers behaving in an irrational manner. There are multiple reasons why there may be an apparent discrepancy between reported attitudes and behaviours. So, whilst consumers may be willing to share data as a principle, numerous concerns may inhibit their behaviour including:

- Wanting to have the option to exercise choice (e.g. if someone is ill or pregnant they may not want everyone to know).
- A concern that the data in question reflects a distorted view of ourselves.
- An awareness that it hard to assess the dangers of data being in a brand's control.

Understanding this apparent paradox between attitudes and behaviours is important as it is easy to interpret these behaviours as signifying consumers' lack of interest in privacy. Famously, Mark Zuckerburg claimed that privacy is no longer a social norm[10]. However, it does not take us long to conclude that we value our privacy and for good reason. Daniel Solove, Professor of Law at the George Washington University Law School comments on this in his book 'Nothing to Hide: The False Trade-off Between Privacy and Security'. He quotes Solzhenitsyn who wrote "Everyone is guilty of something or has something to conceal. All one has to do is look hard enough to find what it is."[11] We all have some regard for our personal privacy as illustrated when Solove invited responses to the 'nothing to hide' argument on his blog. Responses included "So do you have curtains?" and "Can I see your credit card bills for the last year?". He cites Canadian privacy expert David Flaherty who argues "There is no sentient human being in the Western world who has little or no regard for his or her personal privacy; those who attempt such claims cannot withstand even a few minutes questioning about intimate aspects of their lives without capitulating to the intrusiveness of certain subject matters."

A leading authority on the psychology of privacy, economist Alessandro Acquisti, talks of subjective harm, which he defines as "the anticipation of losing control of personal data so can include anxiety, embarrassment, or fear; the psychological discomfort associated with feeling surveilled; the embarrassment associated with public exposure of sensitive information; or the chilling effects of fearing one's personal life will be intruded upon."[12]

There is a long history of cultural expectations concerning privacy and our bank accounts. Banks have a reputation for privacy and discretion in our financial affairs and have stressed the need to keep our banking details confidential. Consumers will therefore be accustomed to these norms and Open Banking may well represent a fundamental change of mind-set. Whilst there has been a sea change in the degree to which consumers share personal data online, we cannot assume that there will be a simple transition of customs and practices from, for example, sharing details of our personal lives on social media, to sharing our financial data with third parties.

Consumer patterns of privacy attitudes and behaviours are subtle and intricate. It is hard to draw sweeping conclusions in this area as so much depends on the context. As such, it is critical to understand the sensitivities that consumers hold around privacy in relation to Open Banking. The way Open Banking is communicated and implemented will have huge implications for consumer perceptions of privacy and the willingness to adopt.

[10] Privacy no longer a social norm, says Facebook founder, The Guardian (2010) [online] http://www.theguardian.com/technology/2010/jan/11/facebook-privacy

[11] Solove, Daniel, *Nothing to Hide: The False Trade-off Between Privacy and Security*, (Yale, 2013).

[12] Acquisti, Alessandro, 'The Economics and Behavioural Economics of Privacy', *Privacy, Big Data and the Public Good: Frameworks for Engagement* (Cambridge, 2014).

## Control

If consumers are concerned about privacy, then one might assume that the solution lies in giving consumers greater transparency and control in the way their financial data is managed. Digital brands, such as Facebook and Google, have generally backed 'transparency and control' approaches by policy makers. Indeed, Facebook has stated that "…companies should provide a combination of greater transparency and meaningful choice…" for consumers, with Google arguing that making the "collection of personal information transparent" and giving "users meaningful choices to protect their privacy" are two of its guiding privacy principles[13]. Some privacy advocates have also embraced these approaches.[14]

Whilst this approach has intuitive appeal, there are also pitfalls. According to Acquisti, there are three main ways[15] in which consumers can still suffer from data disclosure even if they have full control:

> i) Consumers can make mistakes as they don't fully understand what might happen if they reveal too much about themselves, lacking the spread of knowledge about data collection and its uses that major corporates possess.
>
> ii) The life cycle in which personal data operates is now so complex it is impossible for individuals to work out when best to disclose such data and when to keep it to ourselves.
>
> iii) Even if we were able to access complete information and the cognitive power to process it exhaustively, cognitive biases will typically lead to behaviours that are systematically different from those predicted by rational choice theory.

This suggests that consumers are not always able to gauge the consequences of disclosing personal information. Additionally, the way in which consumers make informed decisions concerning disclosure of information can be heavily influenced by the way that information is presented. For example, Acquisti's research, shown in Studies 1 and 2 below[16], found evidence of bias effect in relation to privacy and personal data.

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[13] Facebook Inc, Michael Richter, Response to FTC Staff Report on Protecting Consumer Privacy in an Era of Rapid Change,2011, https://www.ftc.gov/sites/default/files/documents/public_comments/preliminary-ftc-staff-report-protecting-consumer-privacy-era-rapid-change-proposed-framework/00413-58069.pdf
Google Inc, Pablo Chavez, Response to FTC Staff Report on Protecting Consumer Privacy in an Era of Rapid Change, 2011, https://www.ftc.gov/sites/default/files/documents/public_comments/preliminary-ftc-staff-report-protecting-consumer-privacy-era-rapid-change-proposed-framework/00417-58065.pdf

[14] Reitman, R., 'FTC Final Privacy Report Draws a Map to Meaningful Privacy Protection in the Online World', 2012. https://www.eff.org/deeplinks/2012/03/ftc-final-privacy-report-draws-map-meaningful-privacy-protection-online-world

[15] Acquisti, Alessandro and Grossklags, Jens, 'What can Behavioural Economics teach us about privacy?', draft preliminary version, presented as Keynote Paper at ETRICS 2006, http://www.heinz.cmu.edu/~acquisti/papers/Acquisti-Grossklags-Chapter-Etrics.pdf

[16] Brandimarte, Laura, Acquisti, Alessandro and Lowenstein, George, 'Misplaced Confidences, Privacy and the Control Paradox', Social Psychological and Personality Science, vol. 4 no. 3, 340-347, May 2013; Burt, Ronald S., (1992) "Chapter 1 - Social Structure of Competition" from Burt, Ronald S., Structural *Holes: The Social Structure of Competition* pp.15, Cambridge, Mass.: Harvard University Press.

| Study 1 | Study 2 |
|---|---|
| Shoppers in Pittsburgh, US were given two different offers. Some were given a $10 discount card, which increased by $2 if they revealed their shopping details. Considering it an insufficient incentive, half rejected this offer. Other shoppers were given a $12 discount card, which could be traded for $10 if they wanted to keep their shopping data private. This time round 90% kept the card, even if it meant revealing data. This is classic endowment effect: people attach a greater weight to the price at which an organisation wishes to buy their data than they would be willing to spend to ensure it was not released. | Participants were asked if they had ever stolen, lied or taken drugs. Splitting into three groups, each was given a different scenario – the first were told their answers would appear in a research bulletin, the second were asked for their permission to use their answers, whilst the third were asked for permission and their age, sex and country of birth. Those whose permission was sought, were nearly twice as likely to answer every question. However, in the third group, every single person also volunteered their demographic data, showing we mentally overstate the importance of controls, perversely putting more into the public domain than we otherwise would have done. |

It is easy to assume that consumers will be in the position to make decisions that lead to positive outcomes, as long as they are given sufficient transparency and control. However, research demonstrates that this is far from the case. We are all aware that even when consumers are in receipt of full information on a topic, their decision-making will be vulnerable to influences beyond their control.

This does not mean that transparency and control are redundant but it does lead to a number of conclusions:

Consumers will need help to understand the possible ways in which their data could be used – and the laws and regulations on this should be clear to consumers. Consumers are increasingly aware that they 'don't know what they don't know' in relation to the way their data is used, so exploring how to mitigate this is essential.

Identifying the ways in which Open Banking may be designed to encourage the informed sharing of personal data will be critical. There are clearly complexities involved in this and some will believe that we are simply not able to fully consent, given the potential for the way in which design of the context may influence this. This calls for a careful analysis of the contingencies between the design of the consumer decision architecture and nature of the actions taken by consumers. But ultimately it needs to be recognised that there are no fool-proof ways for consumers to make fully informed decisions concerning the disclosure of their financial data. Hence the importance of regulations and guidelines to work alongside consumer decision making.

## Trust

Arguably it is very difficult for consumers to fully understand how their data will be used or to avoid being placed in situations where they potentially disclose more than intended due to the design of the decision architecture. However, we have also seen that consumers still value their privacy – albeit they are not always able to manage it effectively.

The complexities involved in balancing privacy and data disclosure are such that ultimately consumers will need to deploy trust. The reason for this is that risk is intrinsic to data sharing – no amount of transparency and control mechanisms will mitigate that risk. There is no way for us to guarantee the actions of others, but simultaneously, it is increasingly impossible for us to operate completely independently in the way we manage our personal data, therefore making trust a necessary basis for many online interactions. This is certainly the case with digital banking – it is impossible to fully mitigate the risk of sharing data with a third-party provider. To borrow a phrase from economic sociologist Ronald Burt, "the question is not whether to trust, but whom to trust."

However, to understand trust, we need to first define terms[17] – not least because it is one of those words which can be difficult to pin down. The most fundamental form of trust is the ability to rely on others to do what they say they will do. This is basic trust. Most brands can operate reasonably well in terms of 'basic reliance.' It is widely understood that if one orders something online, the products will arrive in line with our expectations, and if anything has gone wrong, it will be fixed. In terms of Open Banking we expect to be able to simply and efficiently set-up and cancel the sharing of our data and for it to work as expected and intended.

Once basic trust has been achieved, the next level of consideration is whether the other party will treat you well. Do they have your well-being in mind as it conducts their affairs? This is called 'active trust.' So, in Open Banking, when we share our data for our benefit, such as offering us discounts bespoke to our spending patterns, and not in a way that will harm us, such as selling it to a third party without our consent. In situations of active trust, consumers are not necessarily explicitly communicating their needs and expectations. What it means to act in a consumer's best interest is determined implicitly, based largely on roles: what are reasonable behaviours of an organisation?

The highest level of trust, 'interactive trust', is built when at least one party involved in an interaction makes their needs explicitly known to the other. By telling the other party our expectations, we make ourselves even more vulnerable. Essentially, we are asking the brand for something that may not be strictly set out in the rules and regulations—but we are hoping they'll do it anyway based on a shared level of decency. In the process of making the brand aware of our needs, the stakes are raised for both parties: we are telling them what they need to do to please us, leaving more room for disappointment than if it was left unsaid. Retail banks trade strongly in this space, with consumers often expecting them to offer something akin to a parental role. So, for example, when things go wrong with finances, banks are often seen as the first port of call for assistance by consumers. In terms of Open Banking, the nature of this trusted relationship will change as the arrival of third party providers will fundamentally change the structure of the relationships.

Technology is also facilitating the way in which we judge and build trust based on greater transparency. Uber is a good example of how societal norms have changed, facilitated by the power of technology. Defying previous convention, millions of people are willing to get in to a stranger's car at the touch of a button based on the ratings and recommendations of others and the reassurance of a major brand. Findings elsewhere in this report support this pattern in the context of Open Banking – consumers now make judgements on trust based on an ecosystem of reviews and feedback in addition to their own experience and traditional news sources. This trend will help bring new players to the table.

## Cultural context is key

As noted above, the Open Banking initiative is not specific to the UK. The European PSD2 directive will affect continental change, and with further discussions already taking place outside Europe as far as Australia there will likely be global ramifications to the way consumers manage their finances. In these circumstances, a country's culture needs to be considered to truly understand and pre-empt consumers' reaction to such change.

[17] Pettit, P. (1995), The Cunning of Trust, in: Philosophy and Public Affairs 24, 202–25.

Ipsos MORI conducts a monthly index to track global trends, looking here specifically at opinions on privacy.

As shown, Britain is slightly more reserved than is considered the global average – one of the countries least likely to try out 'new things' or trust their bank to use their information correctly. However, retaining privacy does not translate into taking responsibility, as whilst they are more likely to be concerned about how their information is collected online, an overwhelming majority expect their bank to ultimately take responsibility.

| | Great Britain (% agree) | Global Average (% agree) | Great Britain's positioning (/23) |
|---|---|---|---|
| I am usually the first among my friends to try out new things. | 34% | 42% | 18th |
| I personally trust banks to use the information they have about me in the right way. | 43% | 47% | 13th |
| I am concerned about how information collected about me when I go online is being used by companies. | 78% | 74% | 8th |
| I expect my bank to guarantee security of mobile payments. | 82% | 76% | 7th |
| I am willing to let my card provider know my current location or where I'm shopping in return for better offers and discounts. | 39% | 44% | 15th |

## Attitudes are context specific

Our previous work provides touchstones for how sensitive data is being used with developing technology. Both stress that it is difficult to provide specific red lines and guarantees about how the public will feel in specific situations. Instead, they reveal that the context (often the trade-off between a number of different push and pull factors) is key to an individual falling on the side of being for or against a specific proposal.

With the Wellcome Trust, we have looked at how data is being collected in the health service, which has been rapidly increasing, with surges in biomedical and health research. Through deliberative workshops, we focused on public opinion on the health service allowing commercial access to data and how the public would distinguish between different types of companies. Research revealed the public underestimate the amount of data held and don't truly understand why it is needed – different mind-sets, having different opinions on commercial access.[18]

Similarly, with the Government Data Science Partnership (GDSP), we investigated the public dialogue on ethics of data science within government. Helping policy makers and data scientists maximise the potential for data science and finding new ways to use data, research focused on the development of an ethical framework. Again, through deliberative workshops, it was revealed that awareness of data issues was limited and the whilst the public were broadly supportive of the GDSP's ambitions, some remained unsure and cautious of their data being used.[19]

[18] Wellcome Trust, Public Attitudes to Commercial Access to Health Data, https://wellcome.ac.uk/sites/default/files/public-attitudes-to-commercial-access-to-health-data-summary-wellcome-mar16.pdf

[19] Government Data Science Partnership: Data Science Ethics Dialogue https://www.ipsos.com/ipsos-mori/en-uk/data-science-ethics-dialogue

## Summary

In the excitement of the technology innovation and opportunities, it is easy to underestimate the importance of understanding the psychology of Open Banking. But, as we all know, consumer acceptance is not a given – there are many examples of technology innovations that have failed to capitalise on their early promise. For example, the fitness device market has arguably failed to build on its early promise once the very human challenges of changing long established habitual behaviours started to become evident.

The disclosure of financial data raises a host of issues that challenge us to understand human behaviour in a multifaceted and nuanced manner. We cannot simply rely on the attractiveness of the use cases of Open Banking for it to drive adoption. Or to assume that simply because the technology works in particular ways then consumers will adapt their behaviour accordingly. As demonstrated throughout this chapter, consumers bring a complex set of expectations, meanings, and psychological mechanisms to the tools we use which we ignore at our peril. Useful frameworks for better understanding this context include the Privacy Paradox, the Johari Window, and Forms of Trust.

It is important to note that Open Banking remains a relatively new proposition for consumers. It is likely that the interaction between consumer attitudes, emotions and behaviours will change as consumers become more familiar with Open Banking and as services develop. This report is designed to understand the human side of Open Banking. By exploring these issues, we can help to facilitate the design, execution and communication of this important development for the Financial Services industry. And as such help to ensure that it is a success.

# 3 Exploring attitudes to Open Banking

Building on the deliberative approach taken during the workshop, this chapter initially explores reactions to Banking and Open Banking and considers how these shifted throughout the workshop. It then unpicks the combination of factors that drove these attitudes among participants.

## Attitudes to banking and finance in general

Before being introduced to the concept of Open Banking, participants were asked for their views on banking more generally.

Participants nearly unanimously mentioned 'money' as one of the first things that comes to mind, with nobody making explicit reference to their financial data. Discussions focussed mainly on language associated to their banking activity, with reference to 'savings', 'transfers' and 'direct debits'. Few spoke unprompted about their feelings towards banking but those that did concentrated mostly on its complexity or the stress involved. Older participants spoke most freely about adopting caution and taking a risk averse approach to their banking.

> ***"I think we have to be less risk averse. We are looking for a sort of income from our investments but it's too risky, you have to be careful if you're investing"***
> **Male, aged 46-74.**

When prompted about their financial data, most participants associated this with online activity, whether this was through digital banking, subscription services or large third parties that actively retain their banking details, such as Amazon or PayPal. In this context, financial data was often most associated with payment details, and personal information such as name and address. Some participants contextualised the collection of their data with supermarket loyalty schemes, which to their understanding, profile their customers to tailor special deals and advertising to their tastes. Whilst they could see the benefit of this, they felt the seeming bombardment of advertising was irritating.

> ***"I would feel nervous. I find it sometimes when I go online, I get pop-ups about things that they shouldn't know that I have an interest in, shoes and holidays. They get my information from something I've filled out. I haven't directly given them that information."***
> **Female, aged 26-45**.

Others referred to financial advisors, applications for mortgages, student loans, credits checks, where they saw volunteering information as a necessity to in turn receive the offered service. These transactions would include a more detailed amount of information. A smaller number of participants noted that government departments also hold financial data about members of the public such as income, tax and benefits information. Most needed prompting to think more widely about financial data in this context.

As participants considered security, most shifted their focus from their money, which they assumed would be protected by their banks, towards their financial data. Many feared that even their most trusted institutions were susceptible to data breaches from hackers, reporting they regularly hear about this in the media. In turn, they commented that they expect their banks to be proactive, especially on security, quickly alerting them to suspicious activity and asking for confirmation following big payments.

> ***"Big names take for granted that they have your information secured, but then they're easily hacked."***
> **Male, aged 26-45.**

Outlining their expected level of customer service within financial services, participants agreed that a key component of good customer service was accountability, especially in the context of breaches in security. Some explained they would want their banks and other organisations to go above their expectations and offer appropriate compensation if it was needed. Transparency, security and choice were also common components of good customer service. Perceptions of bad customer service focused on the contract between consumer and organisation, with complaints that organisations can make it hard to unsubscribe, and be unclear about the use and sharing of data.

## Reactions to overall concept of Open Banking

### Initial reactions

Participants were given a short presentation to introduce the concept of Open Banking. This included the key policy context, introduction to third party providers, an overview of the broad infrastructure in place through APIs, and some example use cases.[20] In practice, it is worth noting that many consumers will first come in to contact with Open Banking via new services enabled by Open Banking; others will first be aware of broader communications and media coverage of the initiative in general.

Initial reaction to the introduction of Open Banking was cautionary. In response to the presentation, participants were asked to share three words that came to mind.


[20] Participants were introduced to four different potential use cases: i) Financial product comparison, which could recommend the best account/service to you, based on your finances/ account information; ii) Money management app, which could collate different information from across your accounts and banks; iii) Intelligent financial application services, which would speed up the loan/mortgage process based on your finances/account information; and iv) Electronic paying service, which would allow you to pay for items electronically without having to use a credit or debit card.

Though some picked up immediately on the potential benefits, (including ease, speed and ability to aggregate information), the most popular reaction was to note caution, worry, concern, and a sense of risk. When explored further, participants revealed the sense of risk and concern was in part driven by the perceived departure from long-standing advice from banks and others to ensure that consumers take steps to protect their information and financial data. Even those who highlighted it as an interesting proposition, qualified that they would wait for others to test it before adopting it personally. Overall at this stage, the discussions taking place revealed that participants felt mostly uninformed and feared losing control.

Immediate reactions were to question; who, what, how and why.

For many participants, the initial consideration was to question the security of opening up financial information. Most worried about a loss of control and feared what information could be revealed, or were concerned about a potential breach and loss of data (heightened by a sense that hacking is becoming more prevalent). Another common reaction was to question why the changes were happening and what the benefit was to new providers, and to banks.

> ***"I just want to know what sort of information was being given and to who. You hear all the time about hackings and whether the companies will protect my data. Once it's been provided to them, how safe is it?"***
> ***Male, aged 18-25.***

> ***"So, in terms of where your data's going, what it's being used for? Obviously, being used to make stuff easier for you. But that's not going to be the sole purpose of the data. I assume they'll be selling that data on somewhere or something. You're paying for the service with your data instead of cash."***
> ***Male, aged 26-45.***

> ***"Intrigued but also annoyed. It would be easier, but basically you let someone in your bubble. It also sounded so scary, I would prefer to type it [the information for a mortgage application app] myself."***
> ***Male, aged 18-25.***

A small number of participants had failed to pick up on a number of key components of Open Banking, namely that the initiative was voluntary and that companies could only access specific information with consumers' permission. Others had assumed that banks themselves were responsible for the initiative and that they would be recommending Open Banking products and services to their customers.

Only a small handful of respondents had used money management tools such as Yolt, which bring customer account information together by using customer online banking login details and 'scraping' the information available when visiting the online banking account. Participants who were new to both the concepts of screen scraping and open banking felt that the open banking infrastructure would be more transparent and secure.

***"It [open banking] sounds more secure; the apps that pretend to be you sound really wrong. Are banks happy for us to do that?"***
***Male, 18-24.***

***"It's more transparent this way [through open banking] the others [screen scraping tools] once you've given them the information they're probably doing the same thing but open banking is more open."***
***Female, 18-24.***

Overall, most participants were initially not especially attracted to the use cases presented. Though participants had earlier indicated that they were interested in a range of financial services outside the context of Open Banking, interest dropped considerably once it was explained that these would be delivered through Open Banking. Furthermore, when asked to consider whether the benefits or risks were more prominent, most participants initially felt that the risks outweighed the benefits, or remained undecided. Only a small number strongly felt that the benefits outweighed the risks. For some, this decision was driven by perceived scale of risk; for others, their decision was driven by not yet being persuaded that the benefits were significant enough to overcome their sense of risk.

There was little differentiation by age. Younger participants were no more likely to respond more positively towards at Open Banking at this stage.

## Movement in reactions to Open Banking

Participants were asked to weigh up the benefits and risks of Open Banking at two other points during the workshop. Just over half (15 of 27) of participants did not change their initial assessment of Open Banking throughout the day. For this group, nothing they heard during the day had reassured them or worried them enough to change their minds. In total, seven participants made a positive shift towards favouring the benefits; five made a shift towards being more concerned about the risks. This would suggest that although there was a small shift towards realising the benefits, gut instinct was paramount in consumers' assessment of Open Banking.

| | Start (12:00) | Middle (13:00) | End (16:00) |
|---|---|---|---|
| The potential rewards outweigh the potential risks | 8 | 9 | 10 |
| Undecided | 5 | 7 | 6 |
| The potential risks outweigh the potential rewards | 14 | 11 | 11 |

Moreover, as shown in the table below, the youngest participants were the most likely to experience a shift towards emphasising risks over benefits during the day. Though the results should be seen as indicative only, due to small base sizes, at the end of the workshop older participants were comparatively more likely to feel the benefits outweigh the risks.

| How they moved throughout the day… | 18-25 years old | 26-45 years old | 46+ years old |
|---|---|---|---|
| Negative shift | 4 | 1 | 1 |
| Unmoved | 3 | 5 | 6 |
| Positive Shift | 2 | 3 | 2 |
| **Where they ended…** | **18-25 years old** | **26-45 years old** | **46+ years old** |
| Risks outweigh benefits | 4 | 6 | 1 |
| Neutral | 1 | 1 | 4 |
| Benefits outweigh risks | 4 | 2 | 4 |

## Factors defining attitudes to Open Banking

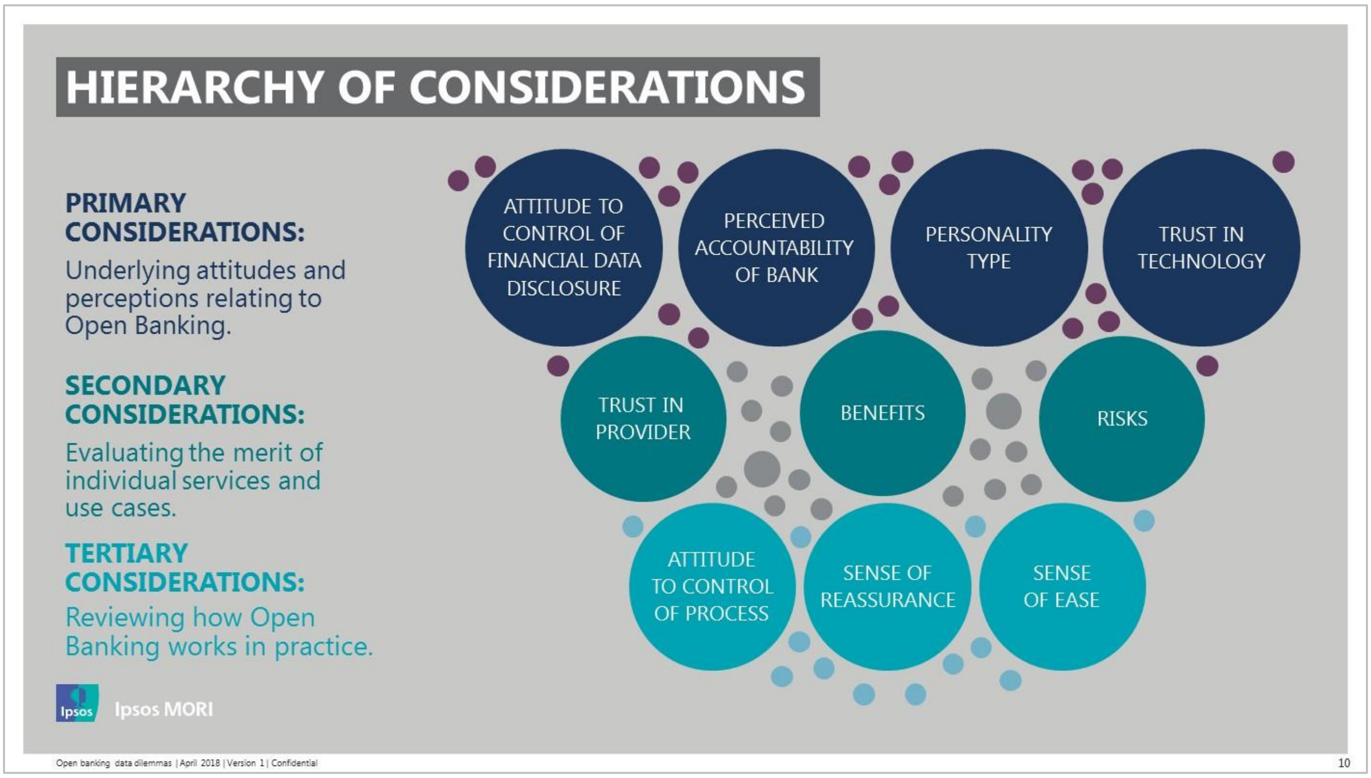
Attitudes towards Open Banking were influenced by a wide range of factors, though not all of these factors had equal weight in defining the views of participants. This hierarchy of considerations is outlined in the model below in which the layers reflect the weight of each level of consideration.

1. The primary context in which participants judged Open Banking lay largely through following their gut instincts and immediate emotions, these were driven by underlying attitudes and perceptions relating to the way they view financial data, data sharing in general, banks and technology. Those who had a more open attitude to financial data disclosure, took a greater level of individual responsibility in their finances, and welcomed technological innovation were the most positive towards Open Banking – both in general and in the context of specific use cases.

2. These established views informed how participants then evaluated each service or use case. When considering specific services, trust in who was providing the service was just as important in mitigating concerns as the value of the benefit on offer.

3. Finally, although an introduction to the Open Banking infrastructure was not in itself sufficient to persuade participants of the potential benefits available, exploration of the different ways in which services could be delivered did have the ability to either undermine potential adoption or to offer reassurance that would challenge initial perceptions; and therefore, in turn, influence likely adoption. Participants expected the processes surrounding Open Banking to be secure, quick, easy and clear, with choice and control for the consumer, and reassurance from trusted partners to support their decision making.

Given the current phase of implementation of Open Banking, it is perhaps not surprising that underlying attitudes and perceptions are key to shaping consumer reaction. As services are developed and launched, it is likely that experience, whether personal or reported, of Open Banking will shape consumers' underlying attitudes and perceptions. However, it will still be important not to ignore the factors that shape underlying attitudes and perception. We consider each of these stages in turn below.




## Primary considerations: underlying attitudes and perceptions relating to Open Banking

### Attitude to control of financial data disclosure

Useful points of reference for understanding concern about the disclosure of financial data are the privacy paradox (where people cite concerns about privacy but don't demonstrate this through actions to protect their privacy), fear of subjective harm (the anticipation of losing control over personal data), and the Johari Window (which explores the extent to which people know things about themselves compared to what others know about them) – each are discussed in more detail in section 2 above. Evidence of all of these can be seen in the context of Open Banking.

Most participants struggled to grasp the type and scale of data that might be shared, and the restrictions within which providers would have to work with this data. Instead, participants tended to draw to a relatively fatalistic view of loss of control in the context of 'subjective harm' – all were concerned about this to some extent. This was driven in part by experience of other sectors, and a general lack of understanding about how personal details are shared between companies in comparison to aggregated and anonymised data.

> ***"I feel like you'd lose autonomy over your own finances. Just because all the information is shared, anyone can gain access to anything."***
> ***Male, aged 18-25.***

> ***"I feel like I'm giving away everything. The company would know everything, it's not restricted."***
> ***Male, aged 18-25.***

Moreover, although there was some concern about the potential for a security breach and loss of funds, participants were more concerned about the extent to which they would be vulnerable and taken advantage of in other ways, such as more direct marketing based on their financial circumstances or behaviour. This concern is not specific to Open Banking, but is reflective of general unease about how marketing is targeted, including through use of online cookies.

> ***"This whole thing, once you've let it out, it's out for anybody to get and then suddenly all these ads are popping up, suddenly you get 9000 things from people you've never heard of."***
> ***Male, aged 46-74.***

> ***"There's an element of big brother about this because they'll be able to see the day you've been paid and the day you have the most money … they will try and hit you when you've got your £3k and offer you a new television."***
> ***Male, aged 46-74.***

Concern about loss of control and the potential for marketing, align with concerns about data sharing in general. However, participants did place a special value on financial data. This was in part the result of the social norms that have been established that encourage people to keep their financial data private – including the extent to which finance is a relatively taboo subject even among family and close friends. Participants noted the range of different things that could be inferred about their personality and lifestyle from their bank accounts. To a large extent, this information is currently secure within the 'Hidden Self' of the Johari window, with the exception of banks, whom participants trust not to focus on this detail or reveal data to others. Participants were concerned both about the extent to which this will become known by others, and the extent to which others will be able to infer things about themselves that they didn't know - and thus increase the sense of 'Blind Self'.

> ***"There's just no security left. Makes me feel anxious. Our banking is the last bit of privacy left in this world, and now it'll be everywhere. Banks should be different from other companies. They should be really secure, really private."***
> ***Male, aged 18-25.***

> ***"It's things like generally how much you get paid, you wouldn't share this with the rest of your colleagues. How much you spend on this, how much is the salary? I wouldn't say it to anyone else, why should I say this to you?"***
> ***Female, aged 18-25.***

Combining subjective harm and the hidden and blind self also generated a sense amongst some that Open Banking would inhibit their ability to be playful with the truth both in a personal context and in the context of accessing financial products or services. Rather than accuracy of information being a benefit, for some, it was a negative outcome.

> ***"I'd rather be in control, the concern I have with all of this, is if you get divorced, the lawyer can ask to see three years' bank statements, what happens if you want to hide anything?"***
> ***Female, aged 46-74.***

> ***"When you get a loan, you don't give them that much detail, you can customise it/adjust it. Whereas if the bank sees exactly what happens they won't give it you."***
> ***Female, aged 18-25.***

## Perceived accountability of bank

Another common theme driving attitudes towards Open Banking was participants' attitude towards their bank, and their expectations of what role the bank should play in the context of Open Banking.

Almost all participants had a great deal of trust in their banks. As explored in section 2 above, this extended from 'basic' levels of trust, to 'interactive' trust, where they expect banks to go above and beyond in supporting their customers on financial matters. Most participants therefore had strong assumptions and expectations as to what they wanted from banks. This included:

- Expectation that banks will raise awareness of Open Banking to consumers.
- Expectation that their bank has done some due diligence in verifying third parties and/or in the process of sharing information under Open Banking.
- Expectations that the bank will help investigate queries.
- Expectation that the bank will reimburse them if they do lose funds.

Participants were mixed in their rationale for expecting banks to play a strong role in Open Banking. For some, this was an extension of customer service, and more pragmatic based on previous good experience of banks having dealt with issues and providing support – this was often a key driver in preference for contacting banks if something went wrong. For many of these participants, banks were seen as facilitators, with customers owning and being largely responsible for financial data. Pragmatically, participants also noted that banks are more likely to have the capital to support consumers.

> ***"My bank - it's just to do with them, they're the first people I'd call up if something went wrong. Even if it's the comparison tool's fault, the bank is the easier way to go. I feel like other companies take a lot longer, the bank will sort it quicker."***
> ***Female, aged 18-25.***

> ***"Most likely you wouldn't find anyone in the app. They're all developers, so you wouldn't find anyone. That might be changed, but at the time it's not the case. Sometimes they'll be hard to get. Phone to call someone, talk to someone, chat anyway, open the window."***
> ***Male, aged 26-45.***

Others felt that banks had an intrinsic responsibility, and were accountable for the security of their financial data wherever it sat. These participants saw banks as the gatekeepers to their funds, not customers themselves.

> ***"I think it's about severity, if it's really bad I'll contact my bank because they're more likely to solve it… They're the ones who have consented to use that provider."***
> ***Male, aged 18-25.***

> ***"If we are, all three of us, involved in this, why shouldn't we contact them? We are all part of this. The money is in the bank, it's the bank's responsibility. It's there to support, you contact the bank if you don't understand something. It's only fair."***
> ***Female, aged 26-45.***

The extent to which participants placed the responsibility for the security of data with banks influenced how trusting they were of Open Banking, and how willing they were to take risks.

## Personality type

More broadly, attitudes towards Open Banking were also shaped by participants' underlying personalities and in how they approach everyday life. Building on this, the workshop found that individual participant movement in their judgement of Open Banking during the day was also shaped by personality traits – as recorded in a self-completion survey. These include the extent to which they scored highly on 'extraversion', 'conscientiousness' and 'openness'.[21]

- Those who moved positively, and became more open to Open Banking scored highly on openness to experience and extraversion, and lowly on neuroticism. This suggests that they were predisposed to being open to learning about Open Banking and identifying the benefits, and less worried about the detail of how it would work in practice. They found it easier to trust.

- In contrast, those who moved negatively all scored highly in their conscientiousness. They enjoy scrutinising detail and were more conscious of the potential risks as they emerged during discussion.

As an example, one of the highest scoring participants in openness remained steadfast in their belief that the potential rewards outweigh the risks throughout the day. The participant was a young male, currently holding an overdraft, who stated that he 'tries to get the most out of his money'. For him, the key to Open Banking was its utility and he stated his willingness to give up his data for an appealing service. Whilst he was uncomfortable with third parties holding his data after cancellation, he would happily download an app if recommended by a friend or from a verified source, ideally his bank.

> ***"If it was a company I knew already, my own bank I trust. Santander, I would definitely download an app from them."***
>
> ***"I'd still be happy to give up my data for the app as long as the app is useful to me. It depends how useful it is."***
>
> ***"I'd like to think that if you withdraw they don't hold onto the data they've had on you, they should wipe data they already have. But I probably would not be thinking about that."***
> **Male, aged 18-24.**

In contrast, another young male, who this time scored highly in 'neuroticism', remained believing the potential risks outweigh the rewards throughout. At the end, he summarised Open Banking in these three words: invasive, worrying and complex. For him, the bank would be responsible for any breaches to his data or finances. However, for the cancellation

[21] We used the BFI-10 test as part of a pre-workshop questionnaire. http://homepages.se.edu/cvonbergen/files/2013/01/Measuring-Personality-in-One-Minute-or-Less_A-10-Item-Short-Version-of-the-Big-Five-Inventory-in-English-and-German.pdf

process, he would expect to go through the bank and be able to easily revoke access to his account. He remarked that he would not be at all likely to use any services offered through Open Banking.

> ***"I'd have to go straight to my bank, it's my account that's having an issue, it's their responsibility. I'd have to go to my bank, I can't see the benefit of not doing it."***
>
> ***"I guess you'd cancel with a phone call or an email or you visit their account page on their website and there would be an option to unsubscribe. No faff or anything, just like you would with a direct debit."***
> ***Male, aged 18-24.***

Clearly personality type does influence people's willingness to engage with Open Banking. For those who demonstrated an openness to experience, the benefits on offer were pivotal. Whereas, for those scoring highly on neuroticism, there was an unwillingness to even accept the concept of Open Banking. They wanted to maintain traditional and established patterns, where banks deal with finances and third parties offer services, but the two do not overlap.

However, whilst participants' current banking behaviour was recorded – frequency of use, the services they use and their attitude towards finances – there were no obvious indications that this influenced their eventual opinion on Open Banking. However, these trends may simply be obscured by the small-scale nature of the deliberative workshop.

Drawing on other quantitative segmentations relating to Open Banking is helpful here. In a recent case study (see below), likelihood to use Open Banking services was linked to people's attitudes towards finance and data privacy in general. This aligns with much of the discussion above about data disclosure and personal responsibility.

### Personality Segmentations

Research conducted earlier this year by Ipsos MORI as part of the Global Open Banking Report looked at the utilisation of APIs within financial services. It used the same potential services shown to our participants, and created a segmentation of personalities dependent on their attitudes, behaviours and likely engagement.

The active adopters were those comfortable with new technology, regularly using it to check their bank accounts. Typically aged 25-34 years old, their expenditure was greater than their savings and they would use new services as soon as they were available.

Similarly, the measured evaluators liked new technology but usually waited a while before using it. They were adept at using digital services to manage their finances but needed reassurance in how their data would be secured.

Whereas, the conservative traditionalists preferred to manage their finances through traditional and established methods, either in branch or over the phone. The idea of digital payments or mobile technology seemed risky to them, potentially exposing their data.

For the financially disengaged money management was neither natural nor relevant, as they were either too old and set in their ways or too young to see the necessity. Generally, they were unaware of the service providers or how to use them.

Lastly, the technical laggards were typically older, averse to using new technologies and very concerned about sharing their data

## Trust in technology

The final underlying attitude that shaped participants' attitude towards Open Banking was trust in technology. This had three main implications.

Firstly, participants had different levels of faith in how secure their data was. They noted that a number of large companies had experienced data breaches in recent history. Though banks had a good reputation for keeping data secure, and better than new providers, they were not completely immune to the risk. Those who were most concerned of breaches in security were less likely to consider Open Banking.

> ***"All the banks are usually like, 'we'll keep your information secure' but especially now technology is stepping up, hackers are more advanced. All they have to do is put your name in and all your information is there."***
> ***Female, aged 18-25.***

> ***"I feel like it's a set up for virtual disaster. Everything's going to be shared but if something gets corrupted or something, everything is going to be shared, all our moneys out there. There's just no security left. Makes me feel anxious."***
> ***Male, aged 18-25.***

A smaller number of participants were cautious due to the current phase of Open Banking implementation. Even if they could see some potential benefits, they felt that the current risks were heightened because the technology and processes were new. This would likely result in more bugs and more opportunities for things to go wrong.

> ***"The technology is there. The more complicated it gets, things can go wrong. Tech makes it quicker but it also makes mistakes. You get more risk while it's developing. Technology doesn't always work, and doesn't always make life easier…. there's going to be a lot of bugs and issues to get it to a place where you want it to work … when it's your financial data, that's not good enough. Even then you want it to be tested - is it worth saving four minutes for the risk that goes with that?"***
> ***Male, aged 26-45.***

Technology also played an important part in shaping views of privacy, control and data disclosure. Participants noted that it was now possible to process large volumes of data, and that the possible insight drawn was now much richer and more immediate. We know from other deliberative work on data disclosure that many people feel uneasy about being profiled using data, and do not trust computers and technology to always make the right decisions. Common concerns include unease that the technology may lack contextual information, and that the nature of false positives and false negatives means that they could always be the exception to a pattern or rule and be wrongly, negatively, impacted. In the context of Open Banking, this drove concerns about eligibility for different services and rates.

## Secondary considerations: evaluating the merit of individual services and use cases

### Trust in provider

In the workshop, use cases were presented without owners, and thus participants were asked to judge them on their own merit independent of associations with brand. However, throughout the day, and regardless of the service and benefit, participants suggested that trust in third party providers would be key to using a service provided through Open Banking. Participants craved credibility.

> ***"At first, I thought no, no, no! But then it all came into place. There's a possibility that I can change my mind, if I can feel secure. It's not definitely no. As long they give me credibility." Female, aged 26-45.***

Consumers sought reassurance and validation of Open Banking products and services in order to help them gain basic levels of trust. This came from three different sources:

1. other consumers – through reviews and reassurance from scale of others' participation;

2. provider brand – for example consumers would use services from well established brands that they already trust; and

3. from trusted others (such as banks, regulators and consumer bodies) where they could validate the provider as a trusted partner.

A large number of participants sought out reviews from other consumers before making financial decisions. This included seeking advice from friends and family, using service such as Trust Pilot[22], and reading reviews on app stores before choosing to engage with the service - this was seen to provide reassurance and transparency in the quality of service. As a result, a number requested that Open Banking services make it easy to review and access reviews of their product – for example this could be a link on their website or online app. In a similar vein, the scale of participation by other consumers was also an important way to verify trust in Open Banking. Some participants were happy to let other consumers take part in Open Banking first, and then use their experiences (and reviews) to help make a more informed judgement about engaging in new services.

Brand was also important. Participants were more willing to buy in to the concept of Open Banking, if services were offered by brands they already know and trust. These spontaneously included Amazon, PayPal and their banks. Participants stated that they had good experiences with these companies, both in terms of security of information and support when things go wrong.

[22] https://uk.trustpilot.com/

> ***"I think you think about those things properly when you first go somewhere but like they said with Amazon you're just like sweet, you trust them."***
> ***Male, aged 18-25.***

> ***"I was going to say, the name and the reputation at the website, if it's new then I will google it. But some brands, they're big brands so I trust them more."***
> ***Female, aged 26-45.***

Trust in third party providers could also be built by others. Participants were largely reassured by the fact that providers would be regulated by the FCA, and many assumed that this meant that the FCA had undertaken significant tests to accredit their level of security and internal processes. This is likely to need further clarification to help manage consumer expectations. Banks were the main other source of verification. Some participants expected that banks would do some form of due diligence to check they were happy to share information, others hoped that banks could take a proactive role in advising them which third parties were the most secure.

> ***"If they were regulated. Like even banks or other financial information if they have at the bottom of the website 'regulated by the FCA' that's really reassuring. The checks are stringent. It's not information you would be able to obtain yourself."***
> ***Male, aged 18-25.***

> ***"If the provider or your bank has a list of trusted providers. Or if your bank popped up saying 'Amazon is one of our trusted providers' that would be reassuring, or a symbol that you could see."***
> ***Male, aged 18-25.***

## Benefits

In spite of the risks and concerns cited by participants during the workshop, there was still evidence that they would engage with Open Banking if the benefits were more tangible and led to greater reward. As shown in the table below, although interest in engaging with the use cases under the mechanics of Open Banking did drop compared to initial interest captured in the same services at the start of the day, it still remained relatively high. Participants were most interested in the money management app that would draw together information from different accounts, and could sense the real potential for this.

| | Financial Product Comparison | | Money Management App | | Financial Application Service | | Electronic Paying Service | |
|---|---|---|---|---|---|---|---|---|
| | Interest at the start of day (not specified how delivered) | Interest at the end of the day (where specified that service would be delivered under Open Banking) | Start | End | Start | End | Start | End |
| Very likely | 12 | 2 | 14 | 8 | 9 | 1 | 10 | 2 |
| Fairly likely | 12 | 11 | 7 | 9 | 10 | 7 | 10 | 11 |
| Not very likely | 0 | 6 | 1 | 9 | 1 | 8 | 1 | 4 |
| Not at all likely | 0 | 5 | 0 | 1 | 2 | 7 | 2 | 8 |
| Don't know | 0 | 3 | 2 | 0 | 2 | 4 | 1 | 2 |

Much of the initial emphasis on the benefits of Open Banking has been placed on ease and speed; however, our experience from the workshop suggested that these may only appeal to a small number of consumers. For most respondents, the benefits of ease and speed articulated were not enough to outweigh the risks.

> ***"I like the concept of this, it's very convenient and saves time … instead of trawling into several different websites. It has it all at once."***
> ***Female, aged 46-74.***

> ***"From my perspective, I'm open-minded if there's a real benefit. I can't see how it's enough benefit as there's so much risk. Much possible risk. I've dropped down (to being more cautious) because of the phrase of the question (do the risks outweigh the benefits), I still feel the same, I don't think there are more rewards"***
> ***Male, aged 26-45.***

Participants were more interested in what the outcome of the service would be – for example if it highlighted a certain spending habit, or genuinely helped get the best deal. Participants also reacted positively to the suggestion that there could be a financial reward for using a service, such as a discounted loan rate. Conversely, this also played to considerations of what consumers might lose through moving away from their current services to Open Banking – for example, gaining reward points when using reward cards to pay for products.

> ***"I think it would really need to help me somehow. I'd think 'I got it to try and work out where I could save more and work out my spending habits'. If it said something like 'you spent £50 more this month than last month'- if it was really useful I'd be happy to give up my data"***
> ***Male, aged 18-25.***

> ***"I think the smart comparison tool is good. If you're going to open a new bank account or get a credit card. For example, I've gone and looked at accounts, and there's 100 different accounts and I can't be bothered. If I did the research I probably would get the right one, but is there a better option? As long as I get the best outcome, and would it be more accurate if it plugs into my bank account? 100% it would."***
> ***Male, aged 18-25.***

As such, although not everyone felt open to future Open Banking services, most participants remained intrigued about future developments.

### Risks

As discussed above, many of the risks participants associated with Open Banking centred on subjective harm and the perceived risk that consumers will have less control (or sight) over who accesses their financial information, and what the outcomes or finding of that disclosure will be. Some participants failed to grasp that this would only be with the explicit consent of consumers; most were worried about the potential breach of security, even if the terms of the exchange are reasonable on both sides.

> ***"Almost all people agree that you feel like an open book. Sometimes I feel that too much is out there of myself. I question why do these people they want your information? I grew up where we didn't have internet, and now these companies they know so much about people. Invasion in people's lives. That's why you get so many cold calls. Even with banks. Sometimes you get emails and, you know, I didn't apply for that. But then you know that they have your email."***
> ***Female, aged 26-45.***

Aside from fear of loss of control, participants named a number of other specific risks, including:

- Loss of funds
- Increase in marketing
- Risk of fraud
- No longer being able to access some services (because the company would now have full accurate information)
- Difficulty revoking consent

For most respondents, these risks could be mitigated by trust in the provider, and by reassurance gained through the Open Banking process. Another mitigating factor would be whether or not other organisations would reimburse consumers for any loss of funds. Many assumed that banks would cover this, and thus the risk to them personally was reduced.

## Tertiary considerations: reviewing how the process of Open Banking works in practice

### Attitude to control of process

In addition to control over financial data disclosure in general, most participants wanted more control over the process that underpins Open Banking. This request for more control manifested itself in two main forms: i) request for more information at all stages of the process; ii) request for more flexibility and choice in the terms of engagement.

This is explored in more depth in the chapter below. However, specific examples of request for more control over the process include:

- Access to easily searchable terms and conditions that has more detailed information on how and why data will be used, and who it will be shared with.
- Ability to be able to pick and choose which aspects of the service they can opt in to based on how much information they want to disclose – pushing against the assumption that this would be 'all or nothing'.
- Ability to be able to choose the type of revocation, including ability to pause and ask for all details and data to be permanently removed.

### Sense of reassurance

At each stage of the process, participants sought additional mechanisms of reassurance. At the most serious level, noted elsewhere above, this centred on the reassurance that data would be held securely. Participants looked to others to help make this judgement, including the FCA and banks. For example, they would be more likely to use a service if there was a link to download the service app on a bank's website.

Other mechanisms for reassurance are explored in more detail in chapter 4; specific examples include:

- Requests for confirmation that a cancellation has been successful, from both the provider and bank
- Reassurance that the redirection as part of the consent process is real and not a fraudulent copy site to illicit further information.
- Spontaneous suggestions to set up a dashboard within digital bank accounts to review all permissions across an individual's account.

### Sense of ease

Participants expected the process to be smooth, clear and easy. For example, as explored in more detail below, they asked that:

- Terms and conditions could be easily navigated and searched, so that consumers could quickly find additional information
- The revocation process is easy to instigate (not hidden), clear, and does not include multiple stages where consumers are asked if they are sure they want to cancel.
- Providers consider incorporating introductory videos to help digest the details of the transaction.

## Summary

Although many participants approach the concept of Open Banking with caution, it was clear that most would consider using services enabled through Open Banking that were well-designed and relevant to them. Those looking to develop products and services should be aware of the underlying assumptions and perceptions that shape attitudes to Open Banking and individual use cases, which help explain variation in consumer reaction and interest. Services should be designed with a focus on clear direct benefits for consumers, as participants responded most positively to those use cases offering direct outcomes compared to those with primary benefits around ease and/or speed.

Trust is crucial for building consumer confidence in all parts of the delivery chain. Developers will be able to build this through a focus on security and transparency, and through building positive user experience over time which in turn helps give new consumers confidence in the quality of service.

# 4 Expectations of the Open Banking process

As part of the workshop, participants explored three aspects of the Open Banking process in more detail: redirection, revocation and multiples parties. This chapter examines each in turn, considering both spontaneous and prompted responses where stimulus had been used to give an indication of what the process could look like.

## Consent and redirection

### Definition

In order to engage in Open Banking, current guidelines require the consumer to follow a three-step process of consent, authentication and authorisation, known as the Open Banking Consent Model.

The consent step is where the provider requests explicit consent from the consumer for access to their account, for information or payment initiation. Upon being given consent, the provider starts to collate the necessary information that it needs to provide the service on offer.

Redirection is when the customer is taken from the provider's domain to their bank's domain, and then the reverse, to allow for authentication and authorisation. Current guidelines ask that redirection screens are presented between the 'consent' and the 'authentication steps', and then after the 'authorisation step' when the customer is redirected back to the provider's domain. The redirection process has been designed to reassure customers with the inclusion of a slight delay on the redirection screen before participants arrive at their bank's domain. This is intended to give a sense that something is happening in the background and as a result induces a sense of security in the process.

### Spontaneous response

Without stimulus being shown, most participants found it difficult to picture and articulate how the consent process should work in practice. However, they were still forthright in outlining some basic principles for how best to obtain consent under Open Banking. The groups unanimously agreed that clarity was vital within the consent procedure. They believed the provider should plainly state the data they needed and duration it would be used for. There was consensus that the interface should be simple and designed with the customer in mind.

> ***"It's so important that the information is given clearly. Whenever you download an app in Android it says you are giving access to your camera or microphone. It should be clear – you are giving them access to your transactions for 30 days"***
> ***Male, aged 18-25.***

Most participants wanted to retain an element of control over their data, assuming they would be able to exercise flexibility to establish their own terms of engagement. Without participants being fully aware of the realities of Open Banking, they spoke predominantly in an abstract and referential manner. Some showed support for a hypothetical selection process, which would allow individuals to choose the information they were willing to provide, through ticking boxes. A few participants extended this, saying they would also want the option to limit or extend the duration of time their data was being shared for. If this control was not possible and all information was mandatory, these participants voiced that the provider would then need to be fully transparent and provide clear explanations, detailing why each specific request was necessary and what it would be used for. There was general confusion over whether withholding this data, would prevent participants from using the service.

> ***"What if they need access to something you don't want them to see, would it not work? I think you need to know that at the start, otherwise you won't go through this whole process."***
> ***Male, aged 18-25.***

Participants expected to repeat the same authorisation process each time they used a new provider. In fact, whilst most participants explained they would be happier to use the services of familiar and 'trusted' companies, they voiced the expectation that they would still have to undergo the same rigorous consent process. However, a few participants suggested they would be willing to provide varying levels of information to different companies, explaining there should be differing consent parameters for the various services offered.

> ***"It would get annoying to ask for consent all the time, but it might work better. For example, I wouldn't give the same parameters for a mortgage to retailers. I wouldn't want Tesco seeing my whole bank account."***
> ***Male, aged 26-45.***

Even at this early stage of engagement, numerous participants felt it would be appropriate for the consent processes to outline the future revocation process – they wanted reassurance that they can stop sharing their data at any given time without difficulty. Alongside this, some participants advocated for searchable terms and conditions, to help ensure that it would be easy to find out additional information if needed and desired.

> ***"When do you get the option to opt out? Can you stop? Does the sharing stop or still continue? I need an option to change my mind, to stop instantly and it cannot continue to whatever party."***
> ***Female, aged 26-45.***

Overcoming initial confusion on the distinction between banks and providers, not all participants assumed that the bank would have to be involved in the consent process. However, most felt the banks should be involved from a security aspect. Some explained their preference would be to download the provider's app directly from their bank's website or for the bank to at least provide a list of verified and trusted partners.

### Prompted response

At this point, participants were shown a simulation of the three-stage consent model, which visually outlined the consent and redirection journey. After this, nearly all participants agreed that they felt comfortable with the authorisation process, remarking that it seemed simple and offered them reassurance.

> ***"I think it's a logical process and I think there will be a built-in authentication"***
> ***Male, aged 46-74.***

However, a small number of participants felt uncomfortable with the provider leading them from their own interface, to the bank's domain. The fear derived from the potential for fraudulent providers to redirect consumers onto imposter domains, where they could impersonate their banks and gain access to their accounts. To combat this, some felt happier going to their bank's domain themselves, with select individuals saying even then, they would still want to then enter a generated code to link the data requests together. With the differing approaches, there was consensus around variable friction, where an individual consumer could choose their own security.

> ***"I'm still not convinced about being redirected to them, I'd prefer to be given a code, open another page and login into the real page"***
> ***Female, aged 46-74.***

In line with this, participants also explored the best ways for authentication, with a few questioning whether a password would be secure enough. Some participants felt authentication should be in keeping with the new technology, suggesting the use of thumbprint or face recognition. In turn, others expressed doubt as to whether they trusted this new technology.

Within one of the specific examples shown, most participants disliked that they were simply asked at the start to tick a box to share their data, without the provider elaborating as to why it was needed or how it would be used. Certainly, for these participants, there was not enough information to make such a judgement at this early stage in the process. There was a desire for a more granulated and delayed acceptance to these conditions, with some wanting more information on how their data would be used.  It is important to note that the General Data Protection Regulation introduces new requirements in this regard, though these was not explored during the workshop.

As noted above, some participants wanted greater flexibility in selecting the data they shared, rather than only being able to choose between 'all' or 'nothing' – were this not to be possible then, for them to feel comfortable, the provider would need to provide clarity and transparency as to why they need the 'all'. Within this discussion, participants contextualised their expectations, with reference to other technological platforms they use (such as when creating an account to make an online purchase with a retailer), which highlight the mandatory requested information or provide optional buttons for further information, explaining their requirements. Throughout the groups, there was general support for these features.

> ***"If you're asking for a particular service, would it be an option to highlight in red or star what's actually necessary? It's possible for an app to tell you that they definitely need your name but they don't need your number."***
> ***Female, aged 18-25.***

## Recommendations

Overall, participants thought the redirection and consent process worked well as currently proposed through the three-stage model.

However, the groups revealed that there needs to be a clearer link to revocation from the outset, so consumers know how to revoke permission before sharing their data. Likewise, participants wanted to make an informed decision around consent, and requested additional information to establish upfront how their data will be handled and utilised. Some consumers will need more information than others and felt to provide additional reassurance, there should be options for more details for those that need it. Similarly, where appropriate, it should be possible to tailor and pick between specific terms of consent.

As such, those looking to develop products and services should seek to delivery control and flexibility where possible, and tier the level of information offered to consumers.

Regarding the mechanics of the redirection process, some participants asked that there needs to be greater clarification, transparency and reassurance that the redirection is a genuine transfer rather than a scam. Nevertheless, varying levels of concern across the groups, suggests that variable levels of friction (in ease of transfer between the provider and authentication with the bank) could be appropriate, granting the consumer control to select their own security.

## Cancellation (revocation)

### Definition

Revocation refers to the process of cancelling a contract between consumers and providers, whereby providers no longer have the permission to obtain data directly from a consumers' bank.

The 'Open Banking Consent Model Guidelines' states that the consumer should be able to revoke consent just as easily as they had been allowed to give consent, at the third-party provider as well as through the banks. The end result of a revocation should be that "the TPP [third-party provider] is no longer able to provide the service". The guidelines also suggest that a dashboard of current permissions would be appropriate and helpful for consumers to use as a point of reference. This dashboard should either be at the third-party provider, where the consumer is able to view all banks they have allowed the third-party provider to access or a dashboard at the bank, showing all third-party providers who have access.

### Spontaneous response

Most were certain that the revocation process should be easy, clear and immediate. On the whole, they wanted the option of where and how to revoke permission to be obvious. Some contrasted how the Open Banking revocation process should work versus cancellation processes they have already experienced (such as standing orders). The call to make cancelling or unsubscribing from services hassle-free was not specific to Open Banking, but pertains to pains felt by consumers in their everyday lives.

> ***"There shouldn't be any time lag, it should be immediate. As soon as you cancel it, they shouldn't see any of your data anymore."***
> ***Male, aged 18-25.***

> ***"Just make it an obvious way to cancel it. You look sometimes and you don't understand. If it's at the very bottom. Make it more obvious."***
> ***Female, aged 26-45.***

While opinion was split, most participants preferred that the revocation process be based at the bank. This was because it is the banks who hold their funds and data. The expectation of trust and reliability of banks may be a result of the assumption that their banks would likely sort out any issues, and act as the accountable party. This builds on what is written above; participants tended to believe that the banks were easier to contact or had a vested interest to resolve any issues. A few preferred to cancel services directly with the third-party providers. They felt that this would be easier than cancelling with their banks because it would be quick to find in an app, or because they were used to cancelling services in this way. Even though most would seek out their bank, participants were comforted by the option to cancel services with both their bank and the third-party provider.

> ***"I think I'd go to the bank because they're the one giving out information." Female, aged 18-25.***
>
> ***"It's the easier way to go I think, even if it's the comparison tool and they had like some sort of contact details, I'd still go to my bank. I just feel like other the companies, they take a lot longer, the bank can just sort it quite quickly." Female, aged 18-25.***
>
> ***"You'd have to just do the reverse steps of what you did when you linked it in. Do it on the app. Then when you forget about it, you don't want to use the app anymore, just untick." Female, aged 46-74.***

Across the age categories, each group agreed that they should have the option of cancelling and receiving confirmation of this through their banks. This was primarily because their relationship is with the bank, or because of distrust in particular providers. A few participants based this on previous experience trying to cancel or unsubscribe from other services.

> ***"How do you know they are going to do it? If I do it like that, in the app, I'm going to go to my bank page to see if it's really cancelled" Female, aged 46-74.***
>
> ***Person 1: "They try to trick you" (Male, aged 26-45).***
> ***Person 2: "And also when it's a subscription, they say if you want to unsubscribe from something, you can go to say that you've unsubscribed but you still keep getting the emails." (Female, aged 26-45).***

When cancelling with the third-party provider, the consensus was that a receipt of cancellation should come from the providers as well as the banks, but despite this, some still questioned how they would be sure the cancellation had been completed. This relates to the consumer's trust in the banks; while some were content with revocation at the third-party provider, confirmation from the bank made them feel secure.

> ***Person 1: "Definitely confirmation that I cancelled. I subscribe sometimes and then still charges you. When you cancel it, I want absolute confirmation. Something from your bank as well, an email…" (Female, aged 26-45).***
> ***Person 2: "Maybe a letter as well, if you lose the email." (Female, aged 26-45)***

Prior to seeing any stimulus, some of the participants alluded to the concept of a dashboard. They were aware of the practicalities of using their banks as a base for viewing which providers had access to their data and felt the customer journey would be smoother if they were able to revoke permission from one place. Some also suggested this would allow consumers to feel more in control.

> ***"Your bank's the only place where you would be able to see absolutely everything that is connected to you. So, there should be a way of viewing that I suppose"***
> ***Male, aged 18-25.***

> ***"I think it would be useful if on your app or online banking you could have a list of everyone you've got that connection with, and therefore if there are a couple that you used once or twice, like a ticket website or something and that you no longer feel like you want to share stuff with, if you could just, kind of, cut off or unsubscribe".***
> ***Male, aged 18-25.***

## Prompted response

After being presented with a mock-up of how the revocation process would work, most of the participants felt reassured by the process. Overall, most liked the concept of a dashboard, as this echoed their spontaneous thoughts and made sense to them. Most of the participants were pleased that they would be able to see a list of third-party providers whose permissions had been revoked.

A key concern facing the participants was the extent of the revocation. Participants questioned what would happen to their data once permissions had been revoked, or once the permission had expired.

> ***Person 1: "I feel like they've had that information, you know, you can never get that back." (Female, aged 18-25)***
> ***Person 2: "like its stored." (Female, aged 18-25)***
> ***Person 1: "Yeah. Is it truly deleted?"***
> ***Person 3: "They have to delete it after however long, they can only hold it for like 4 years." (Male, aged 18-25)***
> ***Person 1: "Yeah like with the internet, is it really deleted?"***

Most wanted confirmation that once this permission had been revoked, not only should the pipeline to the data be cut off, but any previous data held on them should be completely deleted. Some of the participants were happy with third-parties still obtaining access to data they had already collected, but were not allowed to collect any new data.

> ***"I would like to select. Should we remove completely or store? To give the customer the option. I would feel more in control"***
> ***Female, aged 25-46.***

Some of the participants wanted the option to pause permissions, allowing them to reinstate a service at a later date. Those who liked this option, found that in the past that they have cancelled a service, but then changed their minds and signed up again. There was some debate around what this would entail, with some suggesting that access to their data should be blocked while in 'pause' mode, and others acknowledging that if they did decide to pause the service, and it retained all the data, then the provider is able to store the data for a long time. This concern is unclear in the current Open Banking guidelines, with no mention of what happens to the data after access has expired or what happens to data once permission has been revoked.

## Recommendations

When looking at responses from participants across the day, it is clear that the suggested revocation process feels familiar to them. It follows a similar model to service cancellation processes they already experience in their daily lives.

The ability to revoke permissions at both the bank and the third-party provider will be an important step going forward, which coincides with the Open Banking guidelines. It will be important that consumers are given a receipt of cancellation from both their banks and from the third-party providers. Across the day, there was a prominent need for confirmation, in order to make consumers feel secure. This largely related to the consumer trust in banks. Overall, they felt that if the bank had confirmed the revocation, they would be content, whereas consumers would be less confident of the revocation if only the providers had confirmed.

An overriding concern across all the group was what would happen to the data once the consumer had revoked permission. This information must be clear from the outset in order to ensure consumers feel comfortable when initially sharing their data. The industry should consider revocation options, such as whether consumers can decide whether all data kept on them is deleted or that no new data can be collected, and whether consumers will be provided with these options. In this context, those looking to develop products and services should seek to offer transparency, choice and flexibility where possible.

# Multiple parties (onward provisioning)

## Definition

It is possible that multiple parties are involved in delivering a product or service through Open Banking. In such circumstances, a customer facing third party would pass on consumers' financial data to another party. It is the consumer facing third party's responsibility to obtain explicit consent from the consumer. Onward provisioning refers to the process by which multiple parties can be catered for in the context of obtaining consent within Open Banking.

The current Open Banking guidelines ask that consumers are explicitly told about other providers that are involved in the delivery chain of a product or service, and that they give explicit consent for their data to be shared with all named third parties.

## Spontaneous responses

Participants were broadly aware that financial services often use more than just one company or partner to deliver services; the most tangible example was in the context of price comparison websites that share your request with multiple sources to find the best deal. Some participants expected this to be the case; however, for those who were already nervous about sharing their financial data with third parties, the possibility of an increased number of bodies having access to this information increased the potential risk of something going wrong, and made them feel concerned and more insecure.

> ***"What happens is that there are more data linkages to more providers. How are you going to protect these customers? How are you going to protect this financial data?"***
> ***Male, aged 26-45.***

In this context, there was broad consensus that consumers should be explicitly told who their data is being shared with – as noted above, transparency was seen as a key component to good customer service. This was important for building trust, and helped participants feel in more control of the process.

> ***"They should tell you because some people might trust the provider that they think it is but not the attached one. You would then feel they're being honest."***
> ***Female, aged 18-25.***

> ***"I think they should be specific to what other providers will have it, not just 'I will pass this on to other parties', if they say, 'we'll pass this to BT', you can make a judgement about that"***
> ***Male, aged 18-25.***

However, participants were mixed as to the detail required to gain consent in relation to multiple parties. Some were more trusting, and were happy just for the third party to be named and for a statement of reassurance to confirm that the transactions would happen safely and securely. The participants felt that onward provisioning was simply part of the process. A few compared this process to those that occur with most purchases, arguing that they typically would be unaware of the parties their money travelled through to pay for products.

> ***"When you buy a drink, I don't care how that money is getting to them as long as I know the balance."***
> ***Male, aged 26-45.***

> ***"A lot of people don't really care as long it's safe."***
> ***Male, aged 26-45.***

Other participants (mostly those who felt the most uneasy and were already less likely to adopt Open Banking), requested that mechanisms were in place to provide consumers with more detail and information about both the additional third parties, and what data is being shared, and why. One option would be to have this information provided in terms and conditions – however, participants requested that this was provided in a user friendly format, that the detailed information could be easily found for those consumers who are interested, and that the information avoids "technical jargon".

> ***"Yeah it might be massive list of companies you've not heard of and it might make you feel insecure. But as long as TreeQuote {the third party) has a green tick I think it'll be alright."***
> ***Male, aged 18-25.***

> ***"You can Google (the additional 3rd parties), but then you don't know what they share with that particular company. I've done that before, where I've received a service from a completely different company than the person I thought I was paying for. I want to know: what's the deal with you giving my information to that company.... If you want to know more information about the third parties, then put it in a search within the T&Cs, and then I can see what am I sharing with this company, and see the conditions with that company."***
> ***Male, aged 26-45.***

Despite understanding onward provisioning and giving consent to expand the circle of permissions, some participants still expected their bank to be the responsible party if something went wrong in the chain. This was primarily because they felt that their relationship was still with the bank, and was based on previous experience of their bank resolving issues. Therefore, for some, potential concern about onward provisioning was mitigated by a perception of being protected by other organisations.

> ***"The bank protects your money anyway."***
> ***Female, aged 26-45.***

### Prompted responses

Participants were shown a mock-up of the how the onward provisioning process could look– using the examples created by the Open Banking Implementation Entity.[23] In each of these examples, the consent process simply stated the name of additional third parties, but required consent and authorisation for these parties in addition to the consumer facing provider.

The examples did little to change participant opinion. Participants remained mixed on whether this level of information was sufficient, or whether more detail was preferable. On the one hand, they welcomed the revealing of third parties, but many were frustrated by the limited information they could consume. In line with their requests under the authentication process more generally, participants asked for the choice for further information if desired, and for greater flexibility in what they are able to accept as terms of the contract.

### Recommendations

There is clear support for naming additional third parties as part of the consent and authorisation process; however, there is a risk that revealing this information will make some potential customers feel less comfortable about using the service. Providers should consider how best to provide multiple levels of information, so that those who are interested in the detail can access this easily. This will be particularly important to help build the trust of those consumers who are currently most concerned about the risks of sharing data and thus feel the risks outweigh the benefits of adoption.

Overall, participants were, again, concerned with how their data would be used by those in the chain. There were concerns over whether the additional third parties would have access to view their financial information or whether they acted only as transporters of the data. Those looking to develop products and services should therefore ensure that it is

[23] Open Banking Consent Model Guidelines, Part 2: User Experience, Open Banking Implementation Entity, October 2017 https://www.openbanking.org.uk/wpcore/wp-content/uploads/2017/11/Consent-Model-Guidelines-Part-2-User-Experience-Oct-2017.pdf

clear to consumers not only which additional parties would come into contact with their data, but the extent of their access.

# 5 Information and communication

In the final exercise of the workshop, participants were asked to develop their own plans for communicating Open Banking to consumers, assuming the roles of banks and providers. This chapter brings together the resulting recommendations from participants, and additional observations from researchers that will help future engagement on Open Banking.

## Participant suggestions

The most common theme across all groups was to provide clear information around the security of data. Participants felt it was important both to communicate how security was being judged, and for each provider / use case to state clearly what data is being shared, with whom, and how.

Participants differed on how this was best achieved, but there was broad consensus that this should be the joint responsibility of all partners involved in Open Banking, including providers, banks and the FCA. Some participants placed the greatest level of responsibility at the banks, as they currently held the information and were acting on the request to share data. Others, who saw banks as more like facilitators, hoped that banks would continue to support clarification on security as part of their wider customer service. A small number of participants believed that providers should be the main advocates as they stand to benefit the most from implementation.

Other common information needs across all groups included better information on the revocation process (even as early as whilst obtaining consent), including how this could be undertaken and what would happen to data once permission has been revoked. Confirmation of revocation was also common to all groups, and central to building longer term trust in providers and the Open Banking process.

In addition, some participants expected banks and the government to be involved in a wider communications campaign to alert consumers to the launch of Open Banking. A number of participants recalled seeing communications from their banks already, and welcomed this. Involving the government (or regulator) in any announcement was seen to add authority and help build trust in the wider system.

There was no consensus for the best modes through which to communicate on Open Banking. Participants were keen to ensure that communications were matched to consumer preference – including letter, text, online, email and telephone; some also suggested video.

## Researcher observations

Participants made a number of assumptions throughout the day indicating wider clarification would be welcomed in any further communication activity.

- The research team had to provide clarification that Open Banking was optional, and that consumers would drive the process by opting in to services. A significant number had not picked up on this crucial point during the opening presentation and had to be reminded during the workshop.

- Participants were unsure what 'regulated by the FCA' offered in terms of assurance.  Most assumed that this involved significant validation and verification.
- A common question was to ask 'why' Open Banking is coming in to force.  Once clarified that this was at the suggestion of the CMA and the European Union, not the banks, participants felt more confident in trusting banks to support them in this process.
- A common request was to ask for the right to be forgotten, and for data to be removed from a providers' database. The expectations for this within Open Banking guidelines requires further clarification.

# 6 Conclusions and recommendations

## Conclusions

The timing of this project presents an opportunity to test the research findings against some of the current broadly held assumptions from across the financial services sector about likely consumer reactions of Open Banking. This chapter considers the evidence against ten common current assumptions, derived from a review of recently published commentary and participation in conferences, round-tables and other forums.

1. Adoption will be slow: True.

Most participants were cautious; they were not yet convinced by by the benefits presented in the use cases covered during the workshop and felt uneasy about how their banking data would be used if they opted to share it. Trust in service providers was therefore key to adoption. Many wanted other consumers to try Open Banking based services before they would consider them; with most agreeing that they would likely adopt in the future if the benefits were tangible and of directly relevance .

2. Young people are more likely to trust Open Banking. Part-truth.

Age will be a key factor in adoption, but this is likely to be based on current confidence with using new technology and therefore exposure to the opportunity to adopt new app-based services. Young people were not necessarily more trusting of Open Banking per se, or more open to sharing financial data. Within the workshop, the youngest participants were the most likely to show higher levels of concern about the risks at the end of the day compared to the start.

3. Use cases will determine the success of Open Banking: True

When commenting on their likely future adoption, participants considered the benefits offered by individual use cases rather than the detailed mechanics of how the service would be delivered via Open Banking's infrastructure. Most were reassured, at least in part, by the current Open Banking standards as developed by the Open Banking Implementation Entity,[24] but this did little to alter views on whether to adopt specific use cases based on their individual merit / outcome.

4. Convenience and speed are a key selling point: False.

These benefits appealed to only a small number of participants in the context of Open Banking. The use cases where speed and convenience were most relevant, such as obtaining on the spot mortgage offers, were also seen as irregular life events. Some participants were also disappointed to learn that Open Banking is currently restricted to current accounts, which limited the perceived value of account aggregation type services. Such services would also need to cover products such as credit cards and saving accounts to be of full value. Participants were most enthusiastic about use cases which might offer a direct financial outcome for them, such as better insight on their spending habits or a financial discount.

[24] https://www.openbanking.org.uk/standards/

5. Consumers will adopt if products and services are suggested by trusted organisations: Part-truth

Participants sought reassurance and validation of products and services that might be developed as a result of Open Banking. Such reassurance could come from three different sources:

i) other consumers – through reviews and from the scale of others' participation;

ii) provider brand – for example consumers would use services from well established brands that they already trust, such as the banks or platform privders like Amazon;

iii) from trusted others – where others (such as banks, regulators, consumer bodies) had validated the provider as a trusted partner.

Under the latter, participants then expected validators to take some accountability and responsibility for the collection and use of data. However, these trusted validators may still not be enough to encourage some to adopt.

6. Consumers see financial data as more sensitive than other forms of personal data and thus will seek to limit access: Part-truth.

Participants did place a special value on financial data; however, despite being aware of the risks of theft or fraud they appeared more concerned about what could potentially be inferred from a full disclosure of their financial data, rather than concern about sharing identifiers (such as account details) or bank balances. Participants were aware that an assessment of their spending habits and payments could reveal a lot about their circumstances, behaviour and personality. They felt unsure how their data would be used, and therefore uncomfortable with the potential for this to happen. The Johari window is a useful framework here, participants were worried about shrinking the 'hidden self' (where others know things about them that they would have previously kept hidden), and increasing the 'blind self' (where others know things that consumers don't know about themselves).

7. Concern over potential fraud / theft will restrict take up: Part-truth.

Participants were less worried about possible loss of funds than might have been expected; largely because most assumed that banks would reimburse them for their losses. Participants cited examples of where this had happened in other financial contexts, even if the error was not the bank's fault. As noted above, participants were more concerned and uncomfortable with the amount of information that could be revealed/inferred from analysis of transactional data.

8. Consumers will use Open Banking, even if they are openly cautious and cite concerns. Part-truth

Consumers remained optimistic about the potential use cases, even if they felt uneasy about the overall concept of Open Banking. Ultimately, historical evidence suggests that consumers will adopt these services if the benefits are right and if they trust the providers involved. However, this does not negate the concerns of consumers. The privacy paradox can be explained by a number of factors, not least through wanting to exercise choice. There is significant risk to both banks' and providers' brands if concerns are not addressed and taken seriously.

9. If things go wrong, consumers' first point of contact will be their bank: True.

This was true for many participants, though it would depend on the service involved. Participants still saw their bank as their primary finacial service provider and many expected the portfolio of their bank's customer services to include support with Open Banking. Moreover, many felt that banks had the capital to protect them, whereas providers may not. Familiarity and trust in customer service of banks was key in shaping preferences; however, this is also likely to be true of other established brands, including those that are not banks.

10. The wider industry will need to work hard to balance control, responsibility and protection from detriment: True.

Many individual consumers had conflicting preferences for how Open Banking should be delivered. They looked for information, control, flexibility and choice so that they could sign up on what they perceived to be their own terms. However, at the same time, they expected support and validation in making good choices. Many also expected others to take responsibility if things went wrong. Accreditation from regulators was seen to be part of the answer, as were the guidelines for how Open Banking should be administered. Consumers differed in the extent to which they expected banks to be responsible for protecting them from poor decisions/harm, but all would be reassured by some level of support.

## Recommendations for developers and providers

Although many participants approached the concept of Open Banking with caution, it is clear that there is significant potential for well-designed services, targeting relevant consumer needs. For those looking to develop products and services delivered through Open Banking, the following notes may be helpful:

- Value security, transparency, choice, control and flexibility for consumers. These were among their top attributes for good customer service and were evident in preferences for interacting with Open Banking services.
- Develop trust, both in your product, and in your brand. Though there may be an initial advantage for established brands, participants noted that trust could be built through positive user experience – which is ultimately shared with other consumers considering whether to sign up.
- Be aware of the underlying assumptions and perceptions that shape attitudes to Open Banking and individual use cases – many of which come from wider experiences of both inside and outside the financial sector. These help explain why take-up will differ between individuals. There is the potential both to mitigate concerns where they exist by improving information and processes, and to exacerbate concerns if they are not considered appropriately.
- Develop services with clear direct benefits for consumers. Participants tended to respond more positively to use cases offering direct outcomes than those with primary benefits around ease speed.
- Where possible, tier the level of information offered to consumers, so that they can easily access more information if they require. Though the detail of this additional information is important for a smaller group of consumers, the presence of this information is important to a much wider group.
- Offer choice where possible. This was requested at all parts of the journey – from the terms of engagement at sign-up through to the terms of revocation. For example, creating an option to 'pause' use of the service.

- Be clear about data. In among many perceptions and misconceptions, the most common theme of questions from participants related to security of data, access to data, and use of data. Clarity on the terms of use will help reassure consumers and build trust.

# For more information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