

# PSD2 Review Consultation Reply



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# About Open Banking Exchange Europe

## Purpose

The revised Payment Services Directive (PSD2) came into force in January 2018, with a requirement deadline of 14 September 2019 to implement Strong Customer Authentication (SCA). At this point, all regulated entities (Payment Service Providers) had to ensure that they individually complied with PSD2 and the Regulatory Technical Standards (RTS) set out by the European Banking Authority (EBA).

There is a clear regulatory expectation that the financial industry will organise itself to make sure that the implemented solutions for PSD2 are interoperable. However, at the time of writing, there remains a few outstanding activities required to successfully achieve this expectation.

Open Banking Europe was created to support Payment Service Providers (PSPs) and Third Party Providers (TPPs) in meeting the Access to Account (XS2A) requirements of PSD2 and to facilitate the wider aims of Open Banking.

## History

Following a series of stakeholder consultations that started in 2016 to determine industry requirements, PRETA S.A.S. launched Open Banking Europe to build a PSD2 Directory solution to support PSPs and TPPs in meeting the PSD2 XS2A requirements. The Open Banking Europe Directory Service was released in January 2019, providing a single, standardised reference point for banks to accurately identify which TPPs are authorised to access their interfaces and which roles and services they are authorised to perform on behalf of their customers. Additionally, a Transparency Directory has been developed to help TPPs understand developer portals, and to help Account Servicing Payment Services Providers (ASPSPs) understand TPP brands. Open Banking Europe continues to work with stakeholders on a range of initiatives to facilitate a greater understanding of Open Banking and enable collaboration between interested parties. Open Banking Exchange is a subsidiary of Konsentus Ltd.

## Audience

Open Banking Europe is aimed at the following audiences:

- Competent Authorities
- Payment Service Providers (PSPs), including:
  - Account Servicing Payment Services Providers (ASPSPs)
  - Third Party Providers (TPPs)
- Qualified Trust Service Providers (QTSPs)
- Service Providers, Solution Providers, and relevant consultancies

## Disclaimer

Whilst care has been taken to ensure that the information contained in this document is true and correct at the time of publication, there are still clarifications needed around PSD2's scope and implementation and this may impact on the accuracy of the information contained within this document.

As such, Open Banking Europe cannot guarantee the accuracy or reliability of any information contained within this document at the time of reading, or that it is suitable for your intended use.

**This document is the reply provided to the European Commission in its Consultation on the PSD2 Review by OBE on 5 June 2022.**

Online Questionnaire: Targeted consultation on the review of the revised payment services Directive (PSD2)

## Part 1: General questions

### Main Objectives

#### 1. Has the PSD2 been effective in reaching its main objectives?

To which extent do you (dis)agree with the following statements:

	1 (Strongly agree)	2 (Somewhat agree)	3 (Neutral)	4 (Somewhat disagree)	5 (Strongly disagree)	Don't know / No opinion / Not applicable
Improve the level playing field between the different categories of payment service providers			x			
Create an environment which stimulates innovation in payment services	x					
Make payments safer and more secure.						x
Ensure a high level of protection for PSUs across all EU Member States						x
Strengthen consumers' rights						x
Making it easier to make cross-border payments within the EU						x
Enable PSUs to have a wider choice between different types of payment services providers	x					
Improve the transparency of conditions when PSUs make use of payment services						x
Contribute to lowering the cost of remittances through a more diverse and transparent market						x

**Please explain your reasoning of your answers to question 1 and provide arguments for your views:**

OBE has analysed all the Payment and Electronic Institutions authorised to provide services 7 and 8 of Annex I of the PSD2 to understand the use cases offered based on access to payment accounts. OBE identified 23 use cases divided into six categories. We believe that this diversity of offers cemented on the two regulatory services shows the innovation enabled by PSD2 Open Banking.

Currently, there are over 320 registered TPPs (Payment Institutions (PI) and Electronic Money Institutions (EMI) authorised to provide the services 7 or 8 of the PSD2) in the EEA, almost threefold the total in September 2019 (118, excluding the UK). Considering all PI and EMI, we have over 1300 throughout Europe and have registered an increase of 33% since 2019. Thus, we can say that the PSU has a broader range of choices between Payment Service Providers.

**1.1. Do you consider that PSD2 favours specific technological solutions over others?**

Don't know / No opinion / Not applicable

**Payment user needs & Innovation**

**2. In your view, has the current PSD2 framework achieved its objectives in terms of meeting payment user needs?**

To which extent do you (dis)agree with the following statements:

	1 (Strongly agree)	2 (Somewhat agree)	3 (Neutral)	4 (Somewhat disagree)	5 (Strongly disagree)	Don't know / No opinion / Not applicable
Making electronic payments is easier than 5 years ago	x					
Making international payments between the EU and other jurisdictions is easier than 5 years ago						x
There are more options available to make payment transactions than 5 years ago	x					
PSD2 has contributed to market players developing more convenient payment solutions	x					
PSD2 adequately addresses current payment needs						x

**Please explain your reasoning of your answers to question 2 and provide arguments for your views:**

Our reply is based on our experience and insights into the Open Banking Market. On the one hand, the number of Payment Initiation Service Providers grew significantly. In September 2019, 71 TPPs were authorised to initiate payments on behalf of the PSU (excluding the UK). By May 2022, the number had almost threefold to 206.

On the other hand, more use cases are available for the consumer. OBE identified a total of 6 Use Cases enabled by Payment Initiation Services. They allow the customer to automate payments, pay later, or improve the checkout experience.

The use cases enabled by Open Banking captured by OBE represent consumer gains. Multiple Use Cases exemplify just that. We want to highlight the developments of Aiiia, Token, and Kevin. Token has partnered with an incumbent, BNP, to combine SEPA Instant payments and PSD2 APIs. The partnership has reached physical retail stores and relying on A2A account payments offers an immediate settlement, allowing goods to be released immediately by the merchant.

Aiia, a Danish TPP, recently launched a pay-by-link solution which allows users to pay by email, SMS or PDF files by scanning the relevant information for the payment and completing it.

Finally, Kevin allowed Decathlon to reduce their checkout dropout rate by 50%, thanks to a partnership based on Open Banking Payments.

**3. In your view, has the current PSD2 framework achieved its objectives in terms of innovation?**

	1 (Strongly agree)	2 (Somewhat agree)	3 (Neutral)	4 (Somewhat disagree)	5 (Strongly disagree)	Don't know / No opinion / Not applicable
PSD2 supports the development of innovative payment services	x					
PSD2 supports the development of innovative payment solutions	x					
PSD2 has contributed to innovation within payments	x					

**Please explain your reasoning of your answers to question 3 and provide arguments for your views, in particular as regards the payment services offered by PISPs, AISPs and Card Based Payment Instrument Issuers (CBPII):**

Open Banking allowed 326 Payment and Electronic Money Institutions to access Account data through services 7 and 8 of the PSD2 (data from May 2022). Through these two services, 23 Use Cases emerged in the market, divided into six categories. These use cases allow PSUs to have greater control over personal finances, alternative methods to pay, and greater efficiency in administrative tasks. SMEs and corporates can also benefit from these, and further to that, they can have more insights into their customers and improve their onboarding process and credit scoring, among others.

Six of the 23 use cases are based on Payment Initiation Services. These 6 Use Cases are general market evidence descriptions; companies have even more particularities. Three interesting examples are the solutions of Token, Aiia and Kevin. Token is using PSD2 APIs to bring Instant Payments to physical retail, Aiia is using technology to facilitate and automate the payments with its Pay-by-Link solution, and Kevin is partnering with retailers to make online checkouts better and cheaper for merchants.

Additionally, PSD2 created an API infrastructure. Whilst many APIs are focused on compliance, premium APIs already build on these investments and offer new possibilities to the market. As initiatives like the openFinance API from the Berlin Group and the SEPA Payment Account Access Scheme grow, more innovation is on the horizon.

### Market integration & competition

**4. In your view, has PSD2 achieved its objectives in terms of market integration and enhancing competition?**

	1 (Strongly agree)	2 (Somewhat agree)	3 (Neutral)	4 (Somewhat disagree)	5 (Strongly disagree)	Don't know / No opinion / Not applicable
PSD2 has improved the functioning of the internal payments market						x

	1 (Strongly agree)	2 (Somewhat agree)	3 (Neutral)	4 (Somewhat disagree)	5 (Strongly disagree)	Don't know / No opinion / Not applicable
PSD2 has contributed to the development of cross-border payments within the EU						x
There is a wider choice of payment service providers than 5 years ago	x					
The EU payment market is more competitive than it was 5 years ago	x					
PSD2 has contributed to lower fees for digital payments						x
PSD2 has contributed to lowering the costs of remittances						x

**Please explain your reasoning of your answers to question 4 and provide arguments for your views:**

Currently, there are over 320 registered TPPs (Payment Institutions (PI) and Electronic Money Institutions (EMI) authorised to provide the services 7 or 8 of the PSD2) in the EEA, almost threefold the total in September 2019 (118, excluding the UK). Considering all PI and EMI, we have over 1300 throughout Europe and have registered an increase of 33% since 2019. Thus, we can say that the PSU has a broader range of choices between Payment Service Providers.

We also consider that the 23 use cases identified by OBE indicate the market's competitiveness and strive for innovation.

**4.1. Do you think the current PSD2 provisions on access to accounts lead to an un-level playing field between payment service providers offering payment accounts, who have to be accessible to TPPs, and other players who do not offer payment accounts, and therefore are not obliged to share their users' data?**

Don't know / No opinion / Not applicable

## Secure Payments

**6. In your view, has PSD2 achieved its objectives in terms of secure payments?**

	1 (Strongly agree)	2 (Somewhat agree)	3 (Neutral)	4 (Somewhat disagree)	5 (Strongly disagree)	Don't know / No opinion / Not applicable
Making electronic payments is safer than before PSD2						x
PSD2 has contributed to creating trust in electronic payments, by implementing measures to support the correct and safe processing of payments	x					

	1 (Strongly agree)	2 (Somewhat agree)	3 (Neutral)	4 (Somewhat disagree)	5 (Strongly disagree)	Don't know / No opinion / Not applicable
PSD2 has contributed to ensuring that consumers' financial data are protected						X

**Please explain your reasoning of your answers to question 6 and provide arguments for your views:**

Within the Open Banking Ecosystem, multiple Solution Providers that enable trusted and secure access to accounts have emerged. These solution providers validate the eIDAS Qualified Certificates to prove identity and check the national registers to validate the authorisations in real-time. These services have successfully prevented unauthorised access to accounts in real-time without creating barriers.

As long as account holders partner with these solution providers, there are solid and trustworthy mechanisms to create trust in Open Banking payments.

### Costs and benefits of PSD2

**7. Would you say that the benefits stemming from the application of the PSD2 outweigh the costs of its implementation? Note that "costs" and "benefits" need not necessarily be quantitative.**

	1 (Strongly agree)	2 (Somewhat agree)	3 (Neutral)	4 (Somewhat disagree)	5 (Strongly disagree)	Don't know / No opinion / Not applicable
As a payment service provider, the implementation of PSD2 resulted in higher costs for me						X
The implementation of PSD2 has led to higher costs						X
- for merchants						X
- for corporates						X
- for individual consumers						X
I or my company have benefitted from PSD2						X
The investments required to comply with PSD2 were proportional to its benefits				X		
The benefits related to SCA exceed the costs of its implementation						X
PSD2 has simplified and reduced the regulatory burden in comparison to the previous framework (PSD1)						X

**7.1. If available, could you provide an estimate of the investments your institution has made to implement PSD2?**

Don't know / No opinion / Not applicable.

**7.2. Did your business experience any problems due to the implementation of PSD2?**

Don't know / No opinion / Not applicable.

**7.3. Please explain your reasoning and provide arguments for your views. Overall, from your own stakeholder perspective, would you say the aggregated benefits stemming from the implementation of PSD2 outweigh its implementation costs?**

No.

Our position is focused on Open Banking. In that regard, there is an understanding that the benefits do not outweigh PSD2 Open Banking investments, as PSD2 did not allow for a fair distribution of risk in the API 26 developments.

Throughout Europe, the API Development was focused on meeting compliance, which caused frictions. One of those differences was the regional differences. As the development focus was compliance, the differences in country implementations and guidelines from regulators become evident in the APIs.

The perception of an unfair distribution of risk combined with compliance objectives reduces the appetite to invest in improving what is already a safe and compliant infrastructure. As a result, there is a gap between what the TPPs expect and what exists.

Regardless of these points, the PSD2 investments toward Open Banking created an excellent infrastructure. Which can be leveraged to develop commercial offers beyond PSD2 and improve the security and performance of legacy connections between banks and customers. Additionally, the infrastructure improved safety for all the parts involved compared with other methods like screen-scraping.

## Enforcement

**8. Would you consider that the application and enforcement of PSD2 rules by national competent authorities (NCAs) are satisfactory?**

	1 (Strongly agree)	2 (Somewhat agree)	3 (Neutral)	4 (Somewhat disagree)	5 (Strongly disagree)	Don't know / No opinion / Not applicable
NCAs are sufficiently empowered by national law to ensure that PSD2 rules are correctly applied (Art. 100)						x
NCAs are sufficiently empowered by national law to impose sanctions where needed (Art. 100, 103)						x
The types and severity of sanctions available to NCAs are effective, proportionate and deterrent						x
PSD2 provisions are sufficient to ensure the investigation and sanctioning of a cross-border breach of PSD						x

	1 (Strongly agree)	2 (Somewhat agree)	3 (Neutral)	4 (Somewhat disagree)	5 (Strongly disagree)	Don't know / No opinion / Not applicable
The EBA should conduct mandatory peer review analysis of the supervisory activities of all competent authorities in accordance with Article 30 of Regulation (EU) No 1095/2010						x

### 9. In your view, has the PSD led to improved complaint procedures?

	1 (Strongly agree)	2 (Somewhat agree)	3 (Neutral)	4 (Somewhat disagree)	5 (Strongly disagree)	Don't know / No opinion / Not applicable
The provisions on the complaint procedures to be implemented by NCAs are effective (Art. 99)						x
The provisions on the complaint procedures to be implemented by PSPs are effective (Art. 101)						x

## General changes to the PSD2

### 10. Taking your responses to the above questions into consideration, should PSD2 be revised?

	1 (Strongly agree)	2 (Somewhat agree)	3 (Neutral)	4 (Somewhat disagree)	5 (Strongly disagree)	Don't know / No opinion / Not applicable
PSD2 needs to be amended to cater for market developments				x		
PSD2 must be complemented by self-regulatory measures and industry-led initiatives (e.g. standardisation)		x				
PSD2 should be a Regulation, not a Directive, to avoid transposition differences						x
Specific parts of PSD2 should be a regulation, to avoid transposition differences						x
PSD2 could be simplified to reduce compliance costs, without undermining its effectiveness						x
All PSD2 provisions must be subject to the full harmonisation rule (Art. 107)						x

**Please explain the reasoning of your answer to question 10, in particular if you are of the opinion that PSD2 should be (partly or fully) transformed into a Regulation:**

Our reply focuses on the Open Banking and Open Finance space. Neither the developments in Open Banking nor Open Finance should be addressed by revising the PSD2.

PSD2 is a good foundation for the Open Banking ecosystem, as it has created the cornerstone rules for the industry. Although some changes might be required, the ecosystem would benefit significantly if the complements were ensured by industry-led initiatives that require cooperation and imply fairness for all parties (e.g. through schemes or standardisation efforts).

A separate specific regulation should address the Open Finance trend (going beyond payments).

**10.1. Is there any PSD2 provision that is, in your view, no longer relevant?**

Don't know / no opinion / not applicable.

## Part 2: Measures and procedures

### Title I: Subject matter, scope and definitions

#### 11. Do you consider that the scope of the PSD2 is still adequate?

	1 (Strongly agree)	2 (Somewhat agree)	3 (Neutral)	4 (Somewhat disagree)	5 (Strongly disagree)	Don't know / No opinion / Not applicable
The PSD2 scope (Art. 2) is adequate and does not need to be modified						x
Article 3 on exclusions is adequate and does not need to be modified						x
The exclusion from PSD2 of payments by a provider of electronic communications network or services as described in Art. 3(l) of PSD2 is still appropriate						x
The limits to the transaction values set for payment transactions by a provider of electronic communications network or services as described in Art. 3(l) of PSD2 are still appropriate						x

#### 12. Do you consider that the definitions in PSD2 are still adequate and do not need to be modified?

Don't know / No opinion / Not applicable.

##### 12.1. Do you consider the definitions under Article 4 of PSD2 are still adequate and do not need to be modified?

Don't know / No opinion / Not applicable.

##### 12.2. Are there definitions missing from Art. 4?

Don't know / No opinion / Not applicable.

#### 13. In view of market developments, do you consider that the list of services included in Annex I of PSD2 is still adequate?

Somewhat agree.

##### 13.1. Please indicate whether services in the following list need to be maintained or modified.

	No change needed	Description of service should be changed	Don't know / No opinion / Not applicable
(1) Services enabling cash to be placed on a payment account as well as all the operations required for operating a payment account			x
(2) Services enabling cash withdrawals from a payment account as well as all the operations required for operating a payment account			x
(3) Execution of payment transactions, including transfers of funds on a payment account with the user's payment service provider or with another payment service provider: a. execution of direct debits, including one-off direct debits; b. execution of payment transactions through a payment card or a similar device; c. execution of credit transfers, including standing order			x
(4) Execution of payment transactions where the funds are covered by a credit line for a payment service user: (a) execution of direct debits, including one-off direct debits; (b) execution of payment transactions through a payment card or a similar device; (c) execution of credit transfers, including standing orders			x
(5) Issuing of payment instruments and/or acquiring of payment transactions			x
(6) Money remittance			x
(7) Payment initiation services	x		
(8) Account information services	x		

**13.3. Should any of the services listed below be added to the list of payment services in Annex I?**

	Yes	No	Don't know / No opinion / Not applicable
Issuance of e-money			x
Payment transactions using crypto assets (incl. stable coins)			x
Digital wallet services (e.g. mobile apps for payments)			x
Payment processing services			x
Operating payment systems			x
Operating payment schemes			x

	Yes	No	Don't know / No opinion / Not applicable
Buy-Now-Pay-Later services		x	
Other/specific services in the payment chain provided by a technical service provider			x
Other			x

**Please explain your reasoning of your answer to question 13.3 and provide arguments for your views:**

OBE considers that mixing the PSD2, which is focused on payments with other sectors, such as credit in the case of BNPL, is a risk that might bring undesirable consequences. PSD2 should remain focused on payments, and if there is a need to regulate new activities, it should be done separately.

## Title II: Payment service providers

### Other requirements

**21. Other requirements: please indicate to which extent you (dis)agree with the following statements**

	1 (Strongly agree)	2 (Somewhat agree)	3 (Neutral)	4 (Somewhat disagree)	5 (Strongly disagree)	Don't know / No opinion / Not applicable
The regime for PSPs providing services through third parties (agents, branches, outsourcing), as outlined in article 19, is still adequate				x		
The provision on liability (Art. 20) in case a PSP uses third parties to provide services is still adequate						x

**Please explain your answer to question 21:**

The fourth-party system is gaining traction. Many TPPs are selling their license, adding a new party to the flow between the account holder and PSU.

When agents access accounts with a TPP license, the ASPSP cannot see who is accessing their platform. Although the EBA advised TPPs to hold multiple certificates, the ASPSP cannot distinguish between the different agents. From the ASPSP perspective, this might pose security and fraud threats.

There are also concerns about the negative impact on customer relations, given that their account holder might not know who is using the customer data in the event of a complaint.

The customer might also not know that they are dealing with multiple companies, even if correctly informed of the terms and conditions.

Not all the national registers help clarify the agents of a given TPP, as there are different interpretations of the exemptions to reporting agents, and there is no consistency in how the online platforms report them at a country level.

The process lacks transparency and may bring undesired consequences.

**21.2. Should “triangular passporting” be regulated? If yes, how? Triangular passporting occurs where an authorised service provider in a Member State A makes use of the services of a service provider (e.g. an agent) in a Member State B in order to provide payment services in a Member State C.**

Yes.

There should be more clarity in the Agents registrations process and consistency throughout the EEA, i.e. when is a TPP exempt from reporting an agent.

The National Registers should also improve. There should be consistency in the reporting requirements across member states. Stakeholders should be able to clearly and easily identify which agents are acting on behalf of the TPPs and where.

Agents should be required to have specific certificates. This would ensure business continuity for the TPP and make it easier to prevent fraud or act on it.

Account-holders should be authorised to block access to entities trying to act on their country through a fourth party without authorisation.

## Title IV: Rights and obligations in relation to the provision and use of payment services

### Open banking and beyond

**33. In your view, are the requirements regarding open banking in PSD2 still adequate?**

	1 (Strongly agree)	2 (Somewhat agree)	3 (Neutral)	4 (Somewhat disagree)	5 (Strongly disagree)	Don't know / No opinion / Not applicable
The rules on access to and use of payments account data in PSD2 are adequate (Art. 66, 67 and 68)			X			
PSD2 ensures a safe sharing of payments data	X					
The provisions on consent management are adequate			X			
When providing consent to a third party to access payment data, is it clear which party is accountable/liable			X			
PSD2 rules on access to payments accounts do not create unnecessary barriers to access these accounts and provide services			X			

	1 (Strongly agree)	2 (Somewhat agree)	3 (Neutral)	4 (Somewhat disagree)	5 (Strongly disagree)	Don't know / No opinion / Not applicable
PSD2's open banking regime is successful	x					

**Please explain your reasoning and provide arguments for your views, in particular regarding your opinion on the success of open banking.**

**In case you believe provisions on access to accounts should be changed, please explain why, refer to specific articles to be changed and include suggestions.**

**If your remark is about a particular type of service which depends on access to payment accounts (CAF (confirmation on the availability of funds), PIS or AIS), indicate to which service(s) your argument(s) relate:**

Regarding the safety of payments data sharing - PSD2 compliant APIs are a safer platform to share payment data than other solutions like screen scraping.

Furthermore, multiple Solution Providers that enable trusted and secure access to accounts have emerged within the Open Banking Ecosystem. These solution providers validate the eIDAS Qualified Certificates to prove identity and check the national registers to validate the authorisations in real-time.

As to the Open Banking Regime's success - Open Banking isn't without its flaws. The account holders were required to invest to meet compliance which impacted their decisions and ultimately the effectiveness of the APIs in meeting the TPPs' needs. Furthermore, there are differences in the infrastructure implementations when looking at a pan-European level. There are differences between countries, different API Standards and even different interpretations of the existing API Standards. The perception of an unfair distribution of risk reduces the appetite to invest in improving what is already a safe and compliant infrastructure.

Regardless, the PSD2 Open Banking regime created an infrastructure in Europe that allows for controlled and secure access to accounts. This infrastructure built know-how and is a good foundation for Industry-led initiatives to emerge.

**34. Next to the rules on access, PSD2 includes ways in which the access to accounts can be limited, for instance by an Account Servicing Payment Service Provider (ASPSP).**

	Yes	No	Don't know / No opinion / Not applicable
The provision on ASPSPs denying AIS- and/or PIS providers' access to payment accounts should be further facilitated by further clarifying the concept of "obstacle" (see RTS SCA & CSC)	x		
The provision on ASPSPs denying AIS- and/or PIS providers' access to payment accounts should be further facilitated by further clarifying the concept of "objectively justified and duly evidenced reasons" (Art. 68(5))	x		
The manner in which access to payment accounts is organised should be further/more extensively regulated			x
EU legislation on payments should include a common API standard		x	

**Please explain your answer to question 34:**

Regarding the ASPSP denying AIS- and/or PIS providers' access to payment accounts - ASPSPs must be able to provide the required checks to prevent fraud or unwanted access to payment accounts. Improving the definition of obstacle would give the market expectation and let the community work around it to bring better solutions. The rise of Open Banking volumes, especially payments, increases the risks. A better definition for "objectively justified and duly evidenced reasons" would allow the banks to act ahead and prevent issues when there is suspicion or evidence of improper behaviours. As it stands, there is a propensity to react rather than prevent.

As to the inclusion of a common API Standard in the EU Legislation - When considering standardisation, there are three vertices to analyse - i) Usability/Desirability/Adaptability, ii) Security/Trust/Stability and iii) Reach / Interoperability. We consider that full standardisation will ensure the second and third vertices mentioned but will prevent the Usability/Desirability/Adaptability goals from being met.

A standard will always be a compromise. The European Economic Area is composed of 30 different countries with specific domestic characteristics. Furthermore, forcing convergence to a new standard will represent an additional cost imposed on the data holders without a guarantee of solving any issues as there is no program manager responsible for running Open Banking at a pan-European level.

Furthermore, the TPPs demand is constantly evolving; hence allocating resources to implementing a new standard might halt the growth of Open Banking.

**35. Access to payments data via interfaces is currently provided for free to third party providers.  
a. Should access to payment data continue to be provided for free?**

Yes.

What is available today should remain free, but moving forward, especially in open finance, there should be a fair distribution of the commercial opportunities to incentivise the banks to innovate.

**36. What is your overall assessment about open banking in the EU? Would you say that it should be further extended?**

PSD2 Open Banking is not perfect - there are successes but still some frictions. The volumes of Open Banking are growing, but at different rates from country to country. Nonetheless, it is gaining traction with innovative solutions emerging, with partnerships between the new fintech and incumbents.

Given the infrastructure and know-how, Open Banking has more room to grow. Therefore, before going beyond access to payment accounts, the focus should be on making the most out of it. For a pan-European market to emerge, there needs to be more uniformity. The market is still debating topics such as what accounts are under the scope of the law (e.g., card accounts are under the coverage of some countries but not others) and the message received after a payment initiation process. Furthermore, industry-led initiatives are trying to tackle existing problems, and they should be encouraged, as they imply agreements between the different parts. Finally, OBE believes that Open Banking in Europe is missing an official program manager that coordinates exchanges between all the parties, reports to the relevant European Bodies, solves problems and facilitates the industry's growth at a pan-European level.

Although Access to Payment Accounts hasn't reached its full potential, the trends going beyond it, either within banking or that apply to the remaining Financial industry, cannot be overlooked. Multiple banks already offer APIs beyond payments and banking, meaning the movement has begun. Nonetheless, access to financial data beyond payment accounts should have an independent regulation or framework.

## Title VI: Final provisions

### Any other issues

**56. Are there any other issues that have not been raised in this questionnaire that you think would be relevant for the review of PSD2 and its possible revision? Please explain what are these other issues that have not been raised in this questionnaire. If these are specifically relevant for particular stakeholder(s), please make this known in your answer:**

Yes.

Beyond the input delivered in this reply, we would like to point out the importance of the National Registers in the identity and authorisation validation in the Open Banking Ecosystem.

When we talk about innovation and competition in the Open Banking space, we should not narrow the scope to the consumer-facing services; Open Banking is an opportunity to innovate in security and fraud prevention. Within the Open Banking Ecosystem, multiple Solution Providers enabling trusted and secure access to accounts have emerged. These solution providers validate the eIDAS Qualified Certificates to prove identity and check the national registers to validate the authorisations in real-time. Their services have successfully prevented unauthorised access to accounts in real-time without creating barriers.

Preventing unauthorised access through identity and authorisation validation depends on the information available through National Registers. They are the ultimate source of truth as they are controlled by the National Competent Authorities and updated in real-time. We are concerned that relying on other solutions that require an additional layer of complexity and data sharing may create unnecessary frictions and pose a risk in the event of errors or delays.

We understand that focusing on improving the National Registers through pan-European supervision is the most effective use of the European Institutions' resources. At the same time, the market should hold with the task of ensuring secure, fast and reliable identity and authorisation validation.