



TransUnion

Open Banking

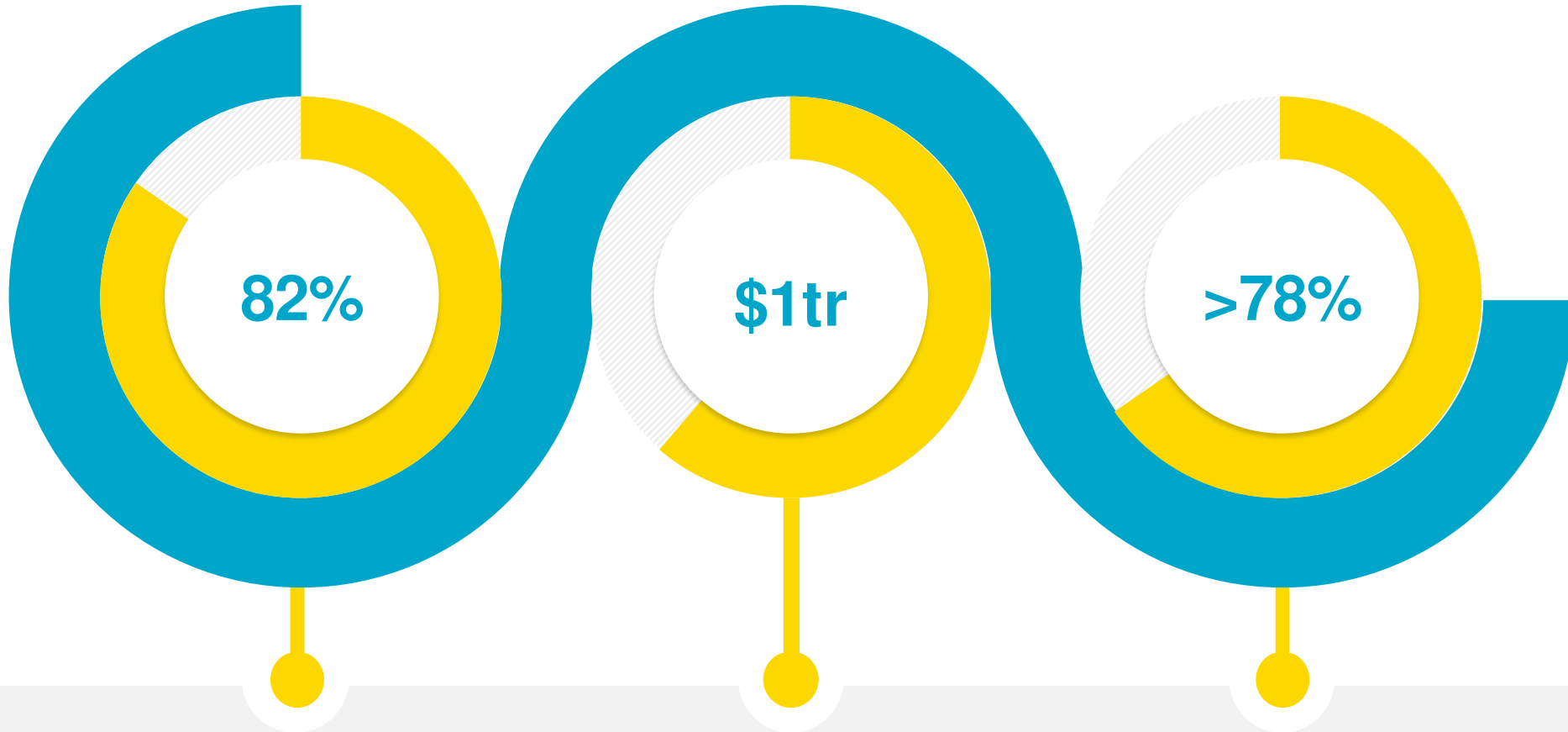
“Open Banking has **trust and consent** at its heart the exchange of data will be for services that add value and it is that which will drive **the adoption of new products and services.**”

*David Beardmore Commercial Director Open Data Institute
(PWC / ODI Banking Report 06/18)*

Open Banking provides an opportunity to open up the banking industry, ignite innovation and enhance the public's experience within the financial services industry



Retail customer uptake of Open Banking is expected to scale over the next five years as customer awareness increases from 8.1m in 2018 to between 25.5 – 32.7m in 2022***



of banks expect to increase FinTech partnerships in the next 3 to 5 years*

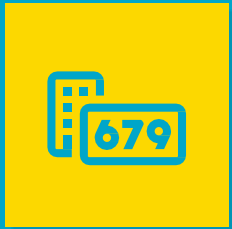
Personal finance management/mobile payment global mobile payments revenue expected to surpass US \$1 trillion in 2019**

of banks and almost an equal number of FinTechs look to leverage APIs to improve the customer experience they offer****

Open Banking creates a significant market opportunity and potential to disrupt the financial services landscape., by **2022** the market could be generating £7.2 billion in value***

£7.2bn





Open Banking UK in Numbers (whole industry)



Over 4.5bn successful API calls made by all third parties in the 12 months ending Sept 2020*



97.86% API availability of the account providers Open Banking APIs last 12 months.*



0.739 seconds average response time for API calls in the 12 months ending Sept 2020* vs 0.908s in same period 2019



40+ UK current account and credit card providers sharing data via the Open Banking standard.*

Source:* https://www.openbanking.org.uk/providers/account-providers/api-performance_End,SEPT,2020



Open Banking UK in Numbers (whole industry)

Potential Consent Rates

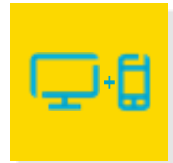
50-60%

Desktop screen journey with consumer entering credentials



70-80%

Hybrid journey between desktop and mobile app,
no credentials



80-90%

Mobile app-to-app redirect for authentication



Consent rates may vary depending on each third parties journey and use case – based on general industry assumptions

Open Banking is a regulatory driven alternative data source, offering highly granular, real time consumer consented data.



Regulation:

Open Banking is based on the European wide PSD2 (Second Payment Services Directive) legislation, enabling consumers to share their online or mobile payment account data, such as current accounts and credit cards.



Highly granular:

Detailed account information including individual transactional data, shown to be a powerful data source when assessing affordability, creditworthiness and changing consumer behaviours.



Real time:

Open Banking data is a seamless and real time customer experience, versus credit data that can be several weeks out of date, providing an up to date picture of income and expenditure.



Consumer consented:

Any company can use Open Banking data, it isn't released under a share type agreement, data is shared by explicitly consumer consent, so there must be a value exchange.

Open Banking and categorisation supports businesses in the Customer Journey



On Boarding

Open Banking is a great alternative data source that can be used to help consumer on boarding, typically used in referral journeys replacing the need for physical documents or PDFs.

Provides a better consumer experience, being completely online and digital at point of application, and offers clients efficiency savings for back office processes, enabling more automated accept/decline.

Open banking can support the growing regulatory requirements for auditable affordability assessments.

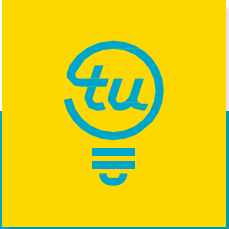


Better Risk Decisioning

Highly granular and real time alternative data

Used for salary, other income and expenditure detail

Completely new scorecard development to compliment existing credit/affordability scorecards



Solution Overview

TransUnion has invested in an in-house purpose built Open Banking solution, specifically built for affordability and creditworthiness use cases, with two main components.

01

Interactive platform

02

Data Model

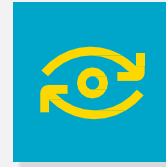
01. Interactive platform



TransUnion hosted, co-branded screen journey to take the consumer through the Open Banking process.



Built to seamlessly fit into the clients existing web journey.



Configurable UX with bank selection and consent gathering.



Integration with Open Banking APIs to enable bank redirects and gathering of consumer data.

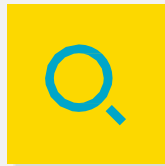
02. Data Model



Built to be highly accurate and highly granular, categorizing over 99% of transaction into over 150 categories.



Knowledge built with over 1 Billion transactions in partnership with many UK banks.



Specifically built for credit and affordability, including over 1800 predictive attributes.



Configurable output based on client requirements.



Available as a standalone product.

Benefits Of Using API driven Integration

Wider societal shift towards transparency and API-based data sharing



Bridge legacy systems to modern applications



Take your products to market rapidly and at a low cost compared to traditional referral processing



Build and launch new digital native business models



Increased Financial Inclusion, create new unconventional revenue streams



Monetize your data and get greater control of it



Deliver a faster unified friction right customer experience



Harness analytics and machine intelligence to make smarter decisions in a secure manner



Embrace an ecosystem-based operating model



Seamless Integration **Into** **Existing Journeys**

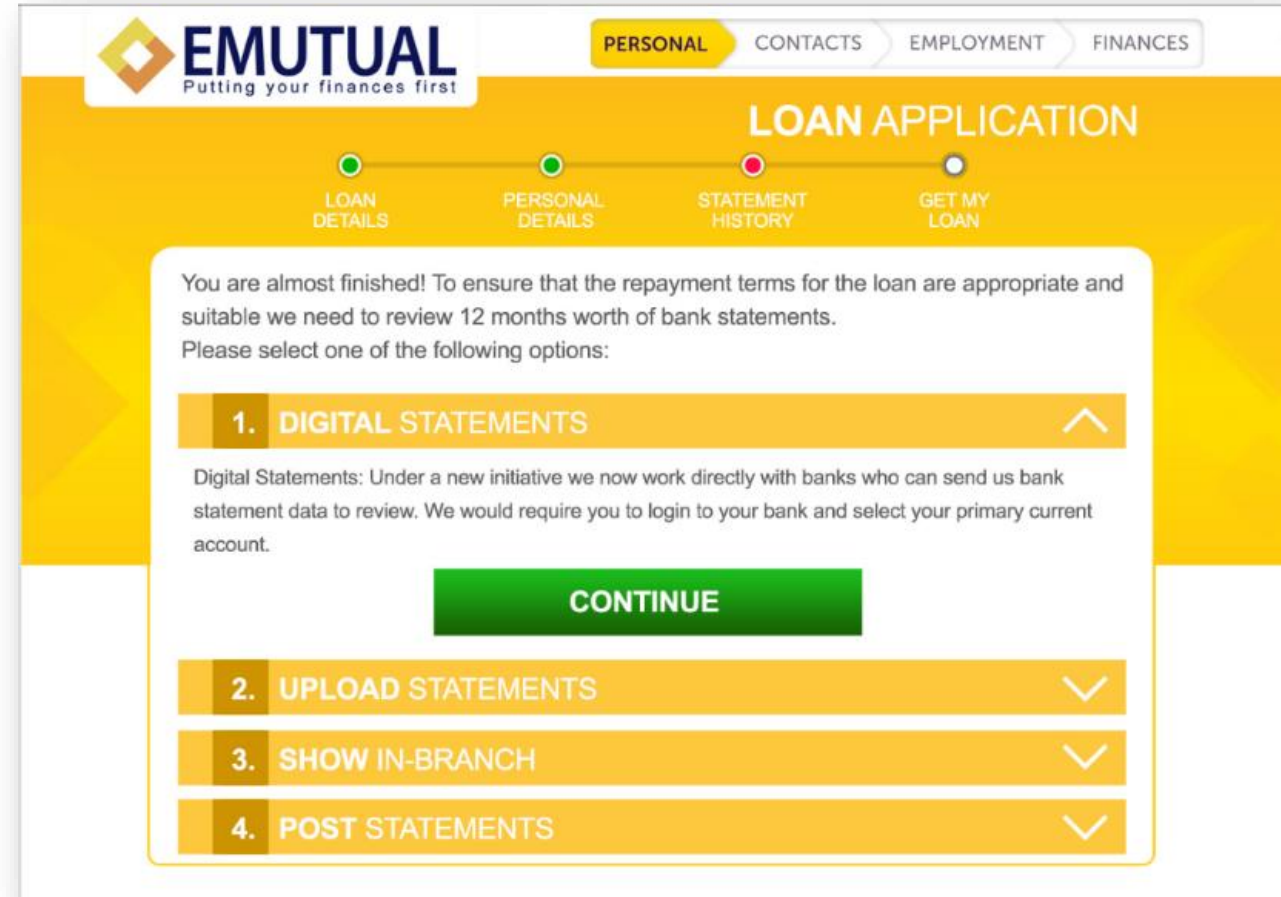
TransUnion's Open Banking solution is fully API driven and designed to seamlessly integrate into a clients existing web application journey.

01

Point of Need

(Consumer is on the client's journey)

At point of need, the client directs the consumer to the Open Banking journey.



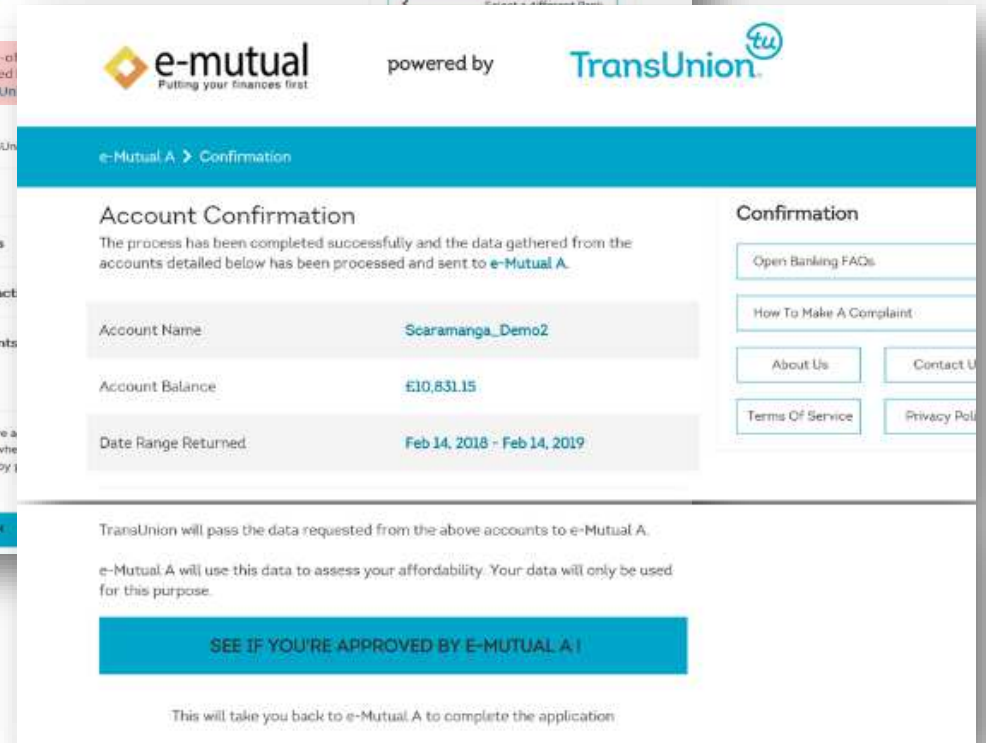
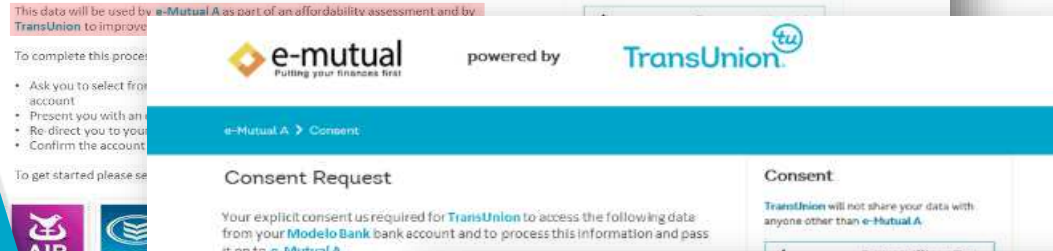
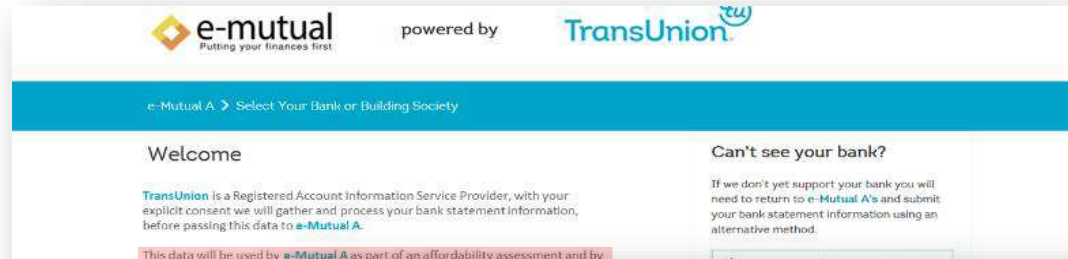


02

Open Banking Journey

(TransUnion hosted infrastructure)

Consumer is transferred into TransUnion's Solution which handles all of the Open Banking interaction and data processing.

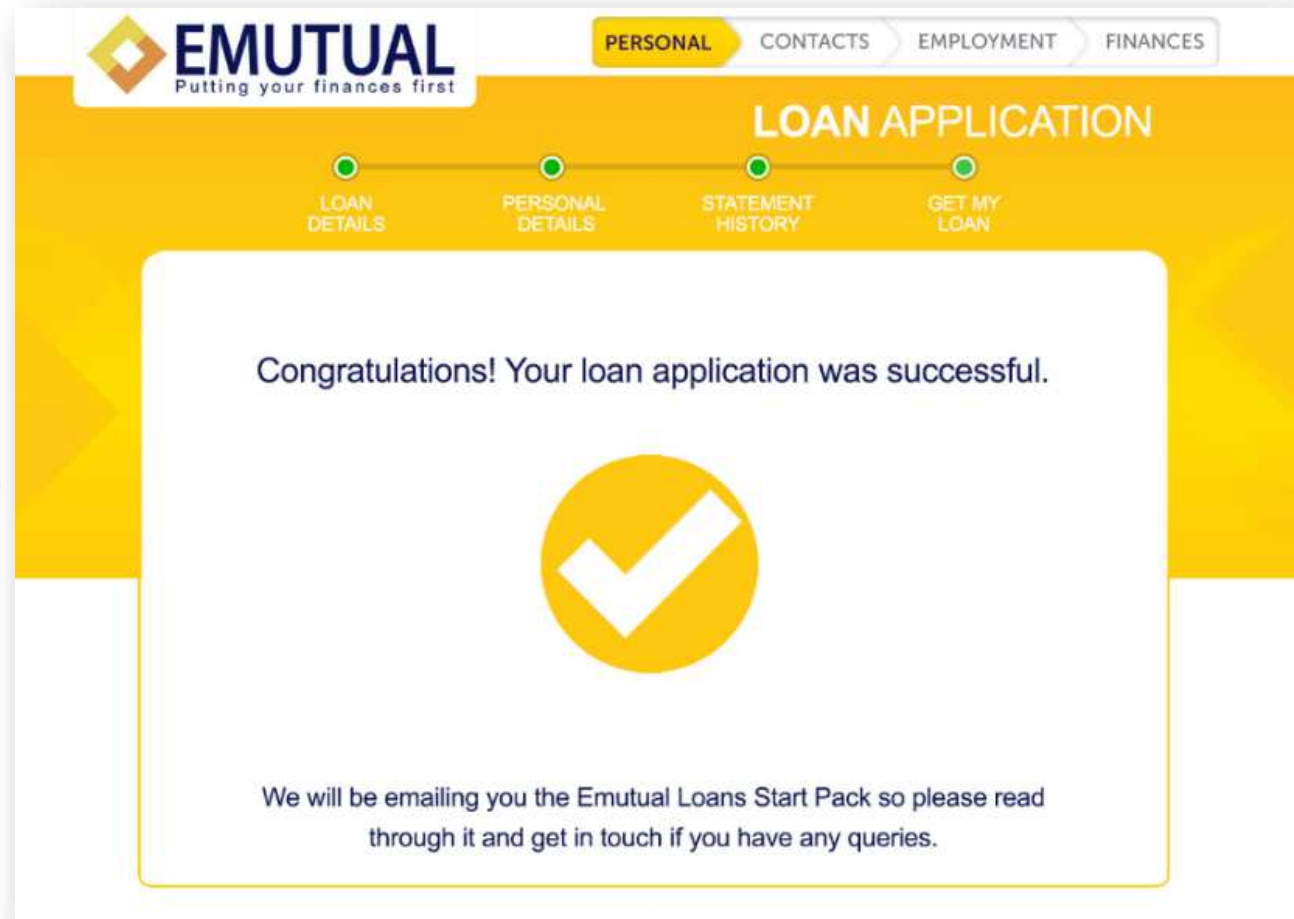


03

Decision

(Consumer transferred back to client's journey)

The consumer and data is sent back to the client to make a decision.



NEW H1 2020

Features And Functionality



Launched in early June, our new [Open Banking](#) platform was the culmination of over 5000 days of development, including a refreshed screen design, enhanced monitoring with Google Analytics and a seamless integrated AML check to fulfil our regulatory requirement as an Open Banking provider.

NEW IN 2020

Features And Functionality



Our refreshed screen design significantly improves the consumer journey through the TU solution.



An **AML check** is now carried out as a consumer enters the TU solution*



Google Analytics now provides in-depth monitoring of the consumer flow through the TU solution, and will be used to target future improvements.



Open Banking **Account Verification**, can be used by clients as a Fraud Check in the customer on-boarding, Powered by our marketing leading CallValidate Fraud solution

**This is to fulfil TU's obligations in relation to AML regulations, and does not replace any client obligations to carry out their own AML checks.*

Want to Find Out More ?

Next Steps and Typical launch plan

