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An Instant Guide to
Account-to-Account Payments
Using Open Banking

yaspa

splitit

PayPal

Klarna.

TRUELAYER

afterpay

Google Pay

Apple Pay

tink

Skrill

Trustly



VISA



What are **account-to-account payments**?

Account-to-account (A2A) payments are simply payments where funds are transferred from one bank account directly to another, **without involving any intermediaries.**

A2A in itself is not a new method. Banks have long been able to move funds between themselves, just as consumers have been able to set up one-off transfers or establish regular payments through the direct debit process (BACS and CHAPS payments may sound familiar). However, using the banks' traditional payment infrastructure for the increasing number of fast online transactions we are all making daily **is not practical.**

- ▶ **Typing in account numbers and sort codes is laborious and prone to errors.**
- ▶ **Different countries and regions can employ different transfer standards, adding complexity to cross-border transactions.**
- ▶ **In an age where we do everything through our phones, at lightning speed, waiting days for funds to settle feels just a bit old fashioned.**

eWallets such as Apple Pay or Google Pay solve some of these problems, allowing us to pay swiftly with just a wave or a tap. But they are still connected to our bank cards, and susceptible to verification and expiry issues. They are also costly for businesses to accept.

How open banking transforms A2A payments

'Open Banking' was introduced through an EU directive in 2018, and required leading banks to open up access to their data in a standard format - and by doing so create opportunities for innovative financial services and applications.

In the case of A2A payments, it means fintechs like Yaspa can connect to all the banks in a particular region, ensuring that when a consumer makes a **payment or a deposit** through Yaspa, they can drop straight into their preferred online banking app to complete the transfer.

The cool element is that all their transaction data is transferred across, so they don't need to type any amount or account information. They still have to verify their ID, but using the bank's own biometric verification - so no waiting for text messages or typing in PINs. It's super quick, super secure, and for the business super good value - so everybody wins!

**Open banking payments go both ways
- perfect for withdrawals or refunds.**



Yaspa was one of the first fintechs to be licensed by the UK's Financial Conduct Authority to offer A2A payments based on open banking technology.



You can learn more about open banking at the [Open Banking Implementation Entity](#)



Open banking versus card payments

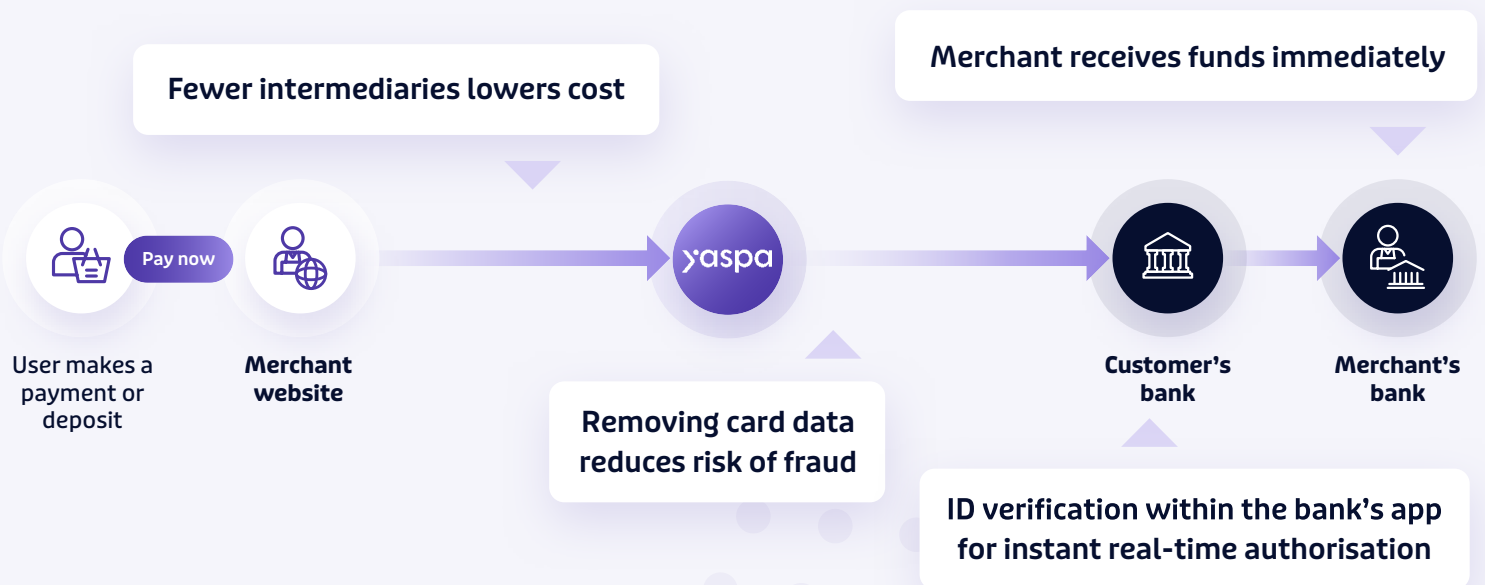
Card payments

Take several minutes to process, and 3-5 working days to settle.



Open banking A2A payments

Seconds to pay, and seconds to settle.



Benefits for consumers

Accessible to anyone who banks online

Super secure

Simple payment journey for a great customer experience

Funds that settle instantly for better money management

Benefits for businesses

Very cost effective when compared to cards

Fraud-resistant with embedded Strong Customer Authentication (SCA)

Minimised friction can double conversion rates

Instant settlement - up to 36x faster than card payments

Alternative payment methods compared

	Pros	Cons
Account-to-account (A2A) through open banking	<ul style="list-style-type: none"> Instant funds settlement Secure, bank-level security Low operating cost, with fewer intermediaries Super simple user experience 	<ul style="list-style-type: none"> Integration with banks can still vary by country Users need to have online banking set up
Debit and credit cards	<ul style="list-style-type: none"> Universal, familiar to everyone Convenient and easy, tap-to-pay at point-of-sale Accepted internationally 	<ul style="list-style-type: none"> High processing fees Fraud sensitive, with chargebacks for businesses Relatively high failure rate Slow settlement
Direct debit	<ul style="list-style-type: none"> Commonly used to make regular payments Removes risk of payment failure you get with cards Soon to be replaced by Variable Recurring Payments (VRPs), another Open Banking initiative 	<ul style="list-style-type: none"> Slow settlement Time-consuming to set up Consumer risks falling into overdrawn state
Buy Now, Pay Later	<ul style="list-style-type: none"> Very popular in consumer industries Drives more sales because of payment flexibility (interest-free credit) Merchants don't deal with the repayments 	<ul style="list-style-type: none"> Expensive scheme fees High integration fees Not suitable for every industry It has been argued that encourages impulse spending
Cryptocurrencies	<ul style="list-style-type: none"> Transparent Useful for crossborder transactions Fast settlement Lower transaction fees (no middle men) Stablecoins (crypto pegged to a fiat currency) can be used to manage volatility 	<ul style="list-style-type: none"> High volatility risk Relatively high technical barriers to adoption, though this is changing Currently experiencing reputational downturn, except from die-hard fans Difficult to refund



“We have found the solution in Yaspa and open banking... Not only are A2A payments simple, fast and secure, they allow us to reach tens-of-thousands more charities and raise millions more for the causes we all care about.”

Kieron James | Wonderful CEO

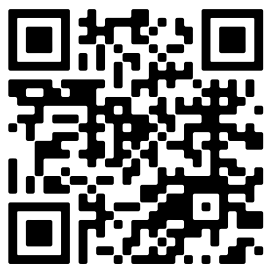




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To discuss how you can integrate open banking A2A payments payments into your business, contact us here:

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Try us today!

See how simple it is to make an A2A payment with a £1 charitable donation to **Shelter**