



Q1 2022 Konsentus Third Party Provider Open Banking Tracker

With an increasing demand for flexible, innovative, and secure payments, open banking is progressively being relied upon, both by consumers and businesses, for cost-effective and fast access to financial information and funds.

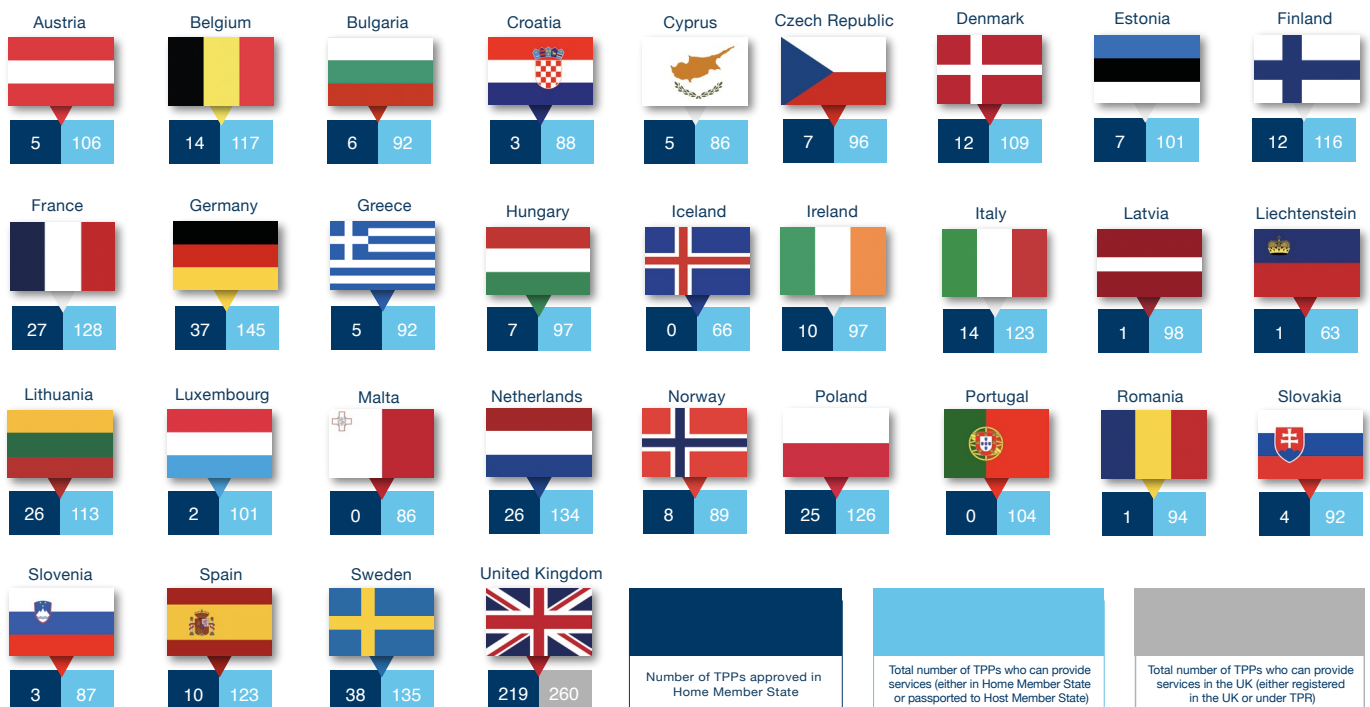
The number of pure-play TPPs across the EEA and the UK now totals 535, while the number of TPPs in the EEA alone has risen to 316. Behind these TPPs, thousands of agents use rented PSD2 licences to provide open banking products and services as well as an increasing number of credit institutions that also operate as TPPs under their own permissions.

As the market matures, we are seeing consolidation and change. Over the last three months, the number of TPPs whose PSD2 permissions were removed was higher than in any previous quarter resulting in low net growth. But passporting numbers continue to rise as TPPs grow their business by launching into new markets. During Q1 2022, the total number of TPPs per EEA country increased on average by 7, largely due to passporting permissions.

Q1 Highlights (EEA)

- Sweden has overtaken Germany and now has the highest number of Home TPPs in the EEA (38).
- Spain continues to have the highest number of Passporting TPPs, reaching 113 at the end of March 2022.
- 12 new TPPs from 9 different countries were approved to provide open banking services: Sweden (3) Netherlands (2), Belgium (1), Bulgaria (1), Czech Republic (1), Finland (1), Germany (1), Poland (1), Slovakia (1).
- 9 TPPs from 7 different countries are now no longer authorised to provide Open Banking services: Belgium (1), Denmark (2), Germany (1), Finland (1), Luxembourg (1), Norway (1), Sweden (2).

The Rise in Passporting TPPs



Key Changes

The Netherlands
Highest net increase in Home TPPs (2)

Denmark
Greatest net decrease in Home TPPs (2)

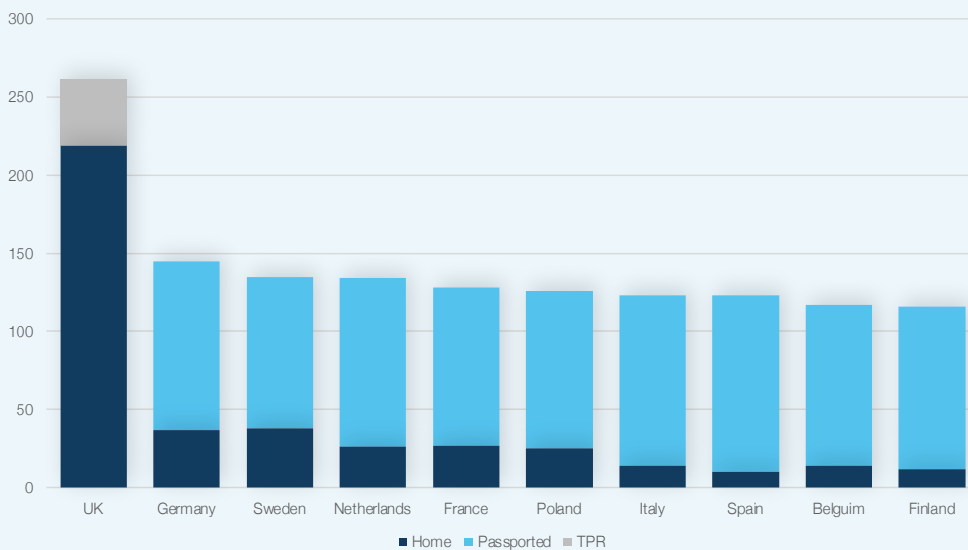
Sweden
Most movement: 3 new Home TPPs and 2 Home TPPs became unauthorised

Hungary
Greatest increase in passported TPPs (8)

Changes in Total Number of TPPs

Top 10 Countries With the Most TPPs

EEA: Home & Passported TPPs; UK: Home & TPR TPPs

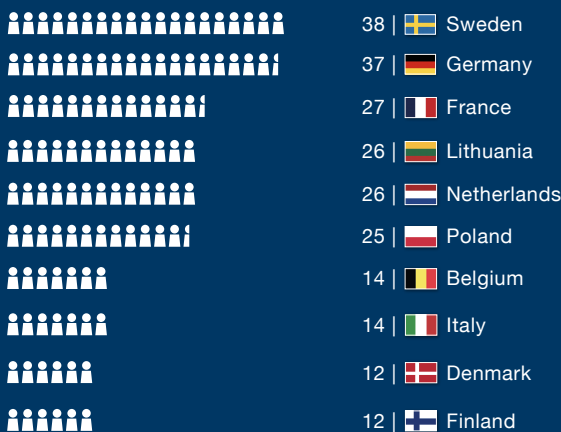


Q1 2022
At least **63**
Total TPPs per EEA country
(46% increase from Q1 2021)

Q1 2021
At least **43**
Total TPPs per EEA country

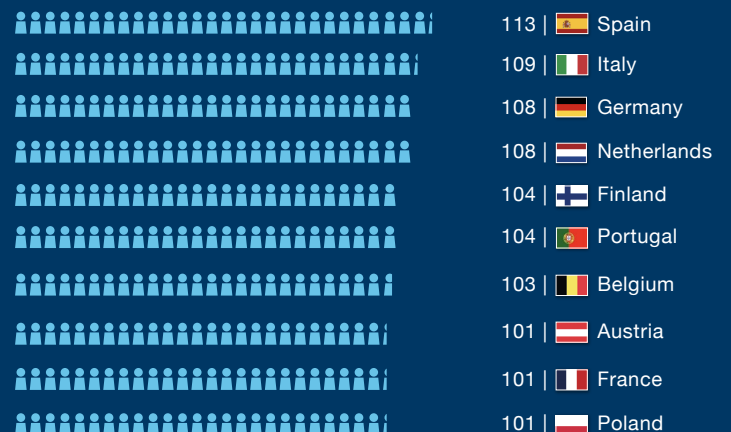
EEA Top 10

Home Registered TPPs



EEA Top 10

Passported TPPs





46%
of TPPs passport
within the EEA

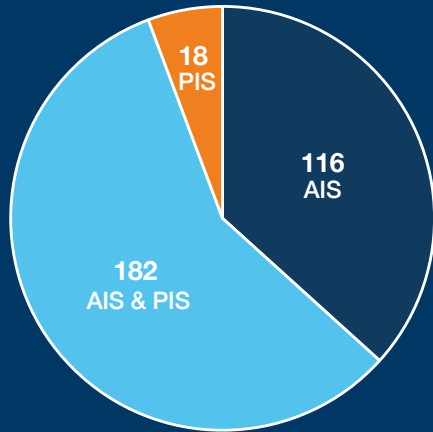
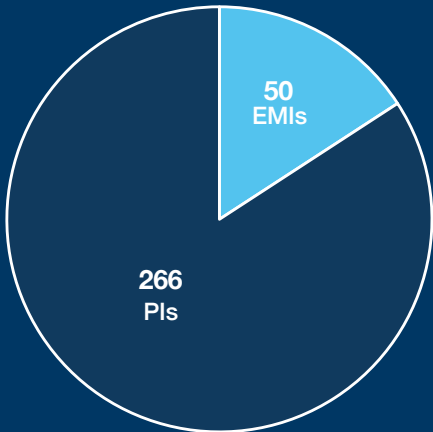
63%
of EEA TPPs provide
Payment Initiation
Services

103
TPPs on average
in each EEA
country

50%
of EEA countries
have over 100
TPPs in total

The provision of Payment Initiation Services (PIS) is **on the rise**, despite requiring a higher level of regulatory approval to be obtained than for supplying Account Information Services (AIS).
Of the **12 newly approved TPPs** this quarter, **8 of them** can provide payment initiation services, taking the total of all pure-play TPPs providing payment initiation services in the EEA up to **63%**.

Types of TPP
in the EEA



Services that TPPs are
regulated to provide in the EEA



Mike Woods
CEO, Konsentus

“ **Continuity of change has been a key theme this quarter.** The number of TPPs whose PSD2 permissions have been removed is almost as high as the number of newly authorised TPPs. So although it may look like the market is slowing down, the truth is far from it. With mergers, acquisitions, failing business models and legal name changes, **real-time checking is essential** to ensure data accuracy.

The **high percentage** of TPPs in the EEA that are **authorised to initiate payments** is surely a concern for Financial Institutions. While they need to be actively protecting their customers against unauthorised access to data, the potential financial losses, as well as associated reputational risks, are much higher for transaction requests involving payment initiation. With the rise in cybercriminal activity, particularly in alternative payments, appropriate measures must be put in place to **protect end-users’ data and funds.** ”

