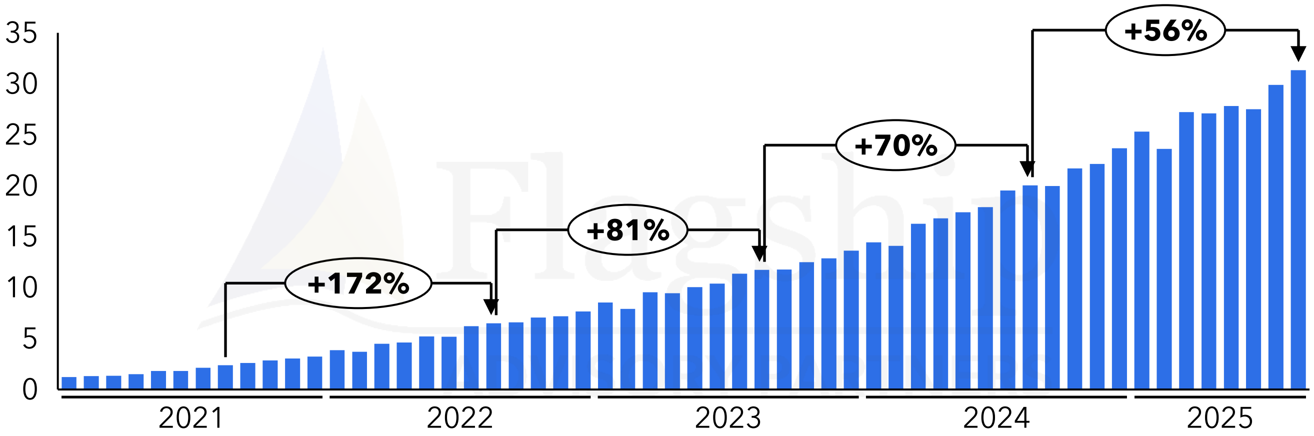
UK Open Banking: Meaningful Progress, Measured Pace

1 UK Open Banking Payment Transactions

(in mil. transactions; % year-on-year change; January 2021 to August 2025)



Source: Open Banking Limited

2 Reactions from Merchant Users: Benefits & Drawbacks

(select key observations and merchant interview quotes)

Benefits for Merchants	Drawbacks for Merchants
1. Lower Transaction Costs	1. Limited Consumer Adoption
3. Limited Fraud Risk	2. User Experience Challenges
4. Reduced Chargebacks	4. Limited Recurring Payment Tools
5. Access to Customer Data	5. Geographical Fragmentation
6. Enhanced Acceptance	6. Dependence on Banks

"Open banking payments are **great for our business** as **they are cheap**."
- Head of pymt. at large e-commerce retailer

"Open banking caused **settlement delays** and **operational issues** that made us limit our regional rollout of the solution."
- Fintech lead at large e-commerce retailer

Select Key Observations

- Open banking payments in the UK have recently entered a period of slowing growth, with transaction volumes plateauing for four consecutive months between March and June, an early sign that mainstream adoption may be slowing.
- This slower pace of growth may spur innovation in value-added services with one of the key drivers of future momentum potentially being recurring payments or VRP initiative that is expected to expand open banking use cases and merchant acceptance.
- Looking ahead, open banking payments have the potential to become a meaningful share of merchant payment acceptance. To achieve this, the ecosystem will need clearer commercial incentives, continued improvements in reliability and consumer UX and trust, and successful scaling of VRP solutions and other value-added use cases.

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