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Each bank maintains their own unique database of customer account and transaction records, and until recently, each bank had very limited access to data held by other competing banks.

- The introduction of the Second Payments Services Directive (PSD2/2105) is dramatically changing the way financial services are delivered.
- It means the largest banks must share their infrastructure and customer data with regulated third party service providers, known as TPPs.
- TPPs gain access to the data using Application Programming Interfaces (APIs), through secure (OAuth) clients provided by the banks.
- The APIs allows TPPs to gain a consumer's permission to access their account data without revealing their bank credentials.
- TPPs develop new innovative payment and information services, using the customer's data to personalise the services provided.

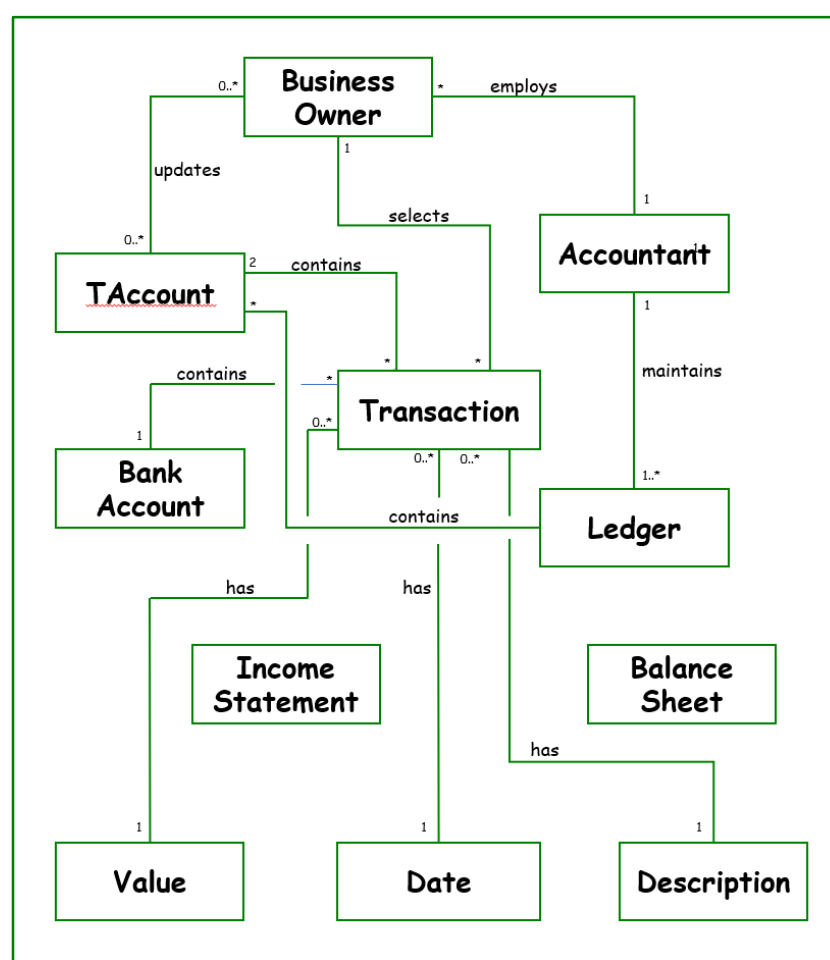


In the UK PSD2 is largely implemented through the Payment Services Regulations 2017.

The new regime came in to force from 13 January 2018.

Use Case ; An accounting application, having access to data held by a bank, could enable small-business owners (or other responsible stakeholders) to monitor the financial health of their businesses more easily.

Third party applications and services making use of data available through the Open Banking APIs.



Initial accounting system conceptual model

- Reducing the time and cost associated with maintaining their accounting records.
- Easing the accurate preparation of statutory periodic financial statements.
- Providing facilities that allow a business owner's accountant to log in, to collaborate in maintaining accurate records.



A Book keeping/Ledger Application providing facilities for;

- Connecting to your business bank or other financial institution.
- Enabling direct collaboration with your business accountant.