
Open Banking in Europe: Only slightly ajar

Payments and Open Banking Survey

January 2021

GSG Attorneys at Law



Payments & Open Banking Survey 2020

Consumer survey across 12 countries

Sample and methodology

Sample 2020

- 3,500 participants
- 12 countries
- Online questionnaire via Google Survey
- August/September 2020
- 10 questions



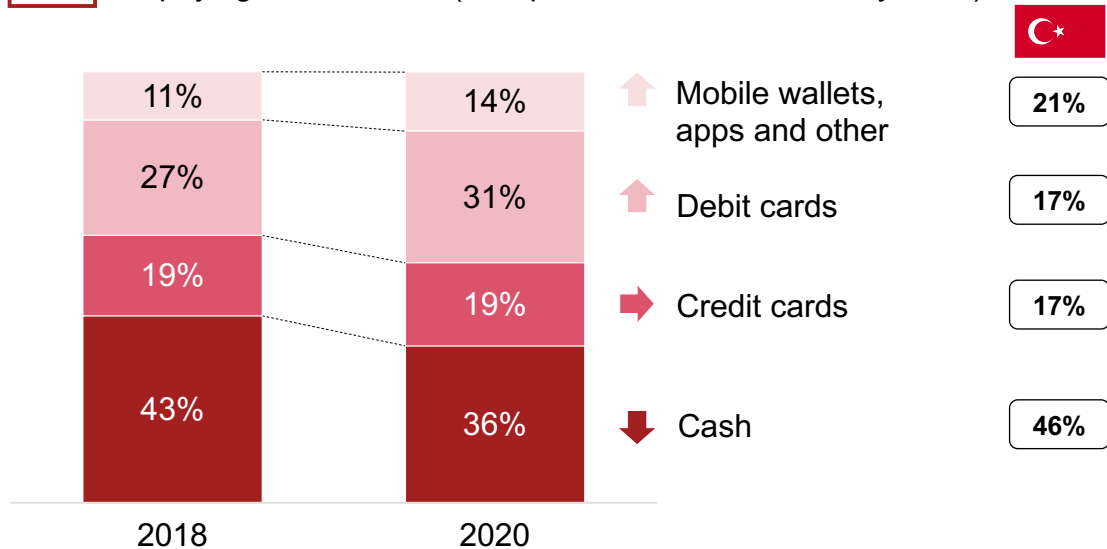
2018/2019

- Similar survey conducted with same method two years ago (Google Survey, 10 questions, October / November 2018)
- 10 countries (excluding Ireland and Turkey)
- 2,500 participants
- Comparisons in this presentation are always made on a like-for-like basis (i.e. when comparing to 2018 data only the data from the same 10 countries is used in 2020)

Changes in payment behavior: Cash displacement accelerating across Europe

Preference for cash is decreasing...

? What is your general preference for payments when you are shopping or paying for services? (Europe 2018-2020 and Turkey 2020)



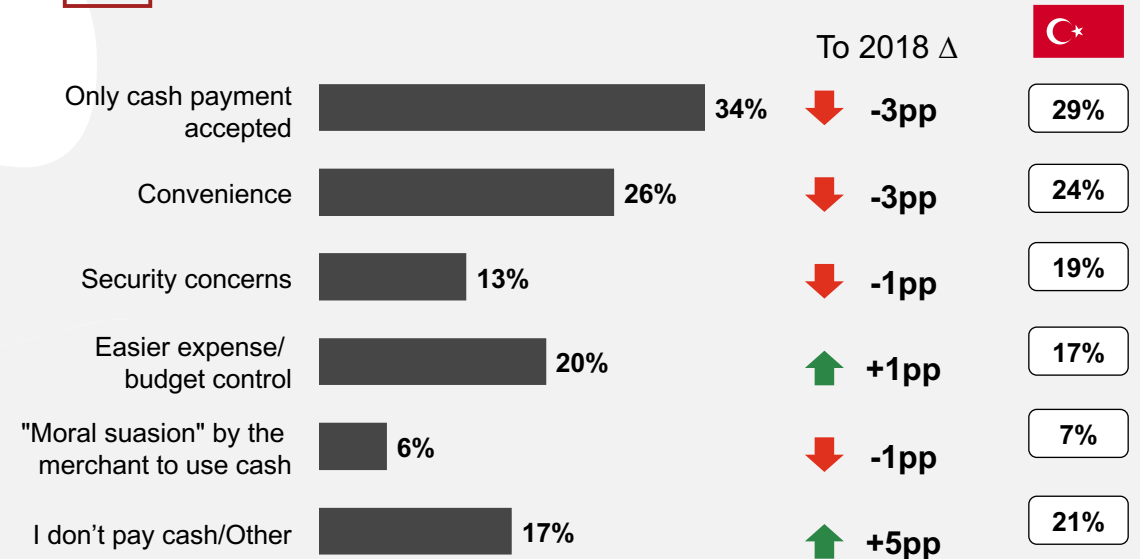
- Significant decline in preference for cash across countries
- Debit cards benefit the most –plastic is not dead (yet)
- Cash preference in Turkey for 2020 is above European average

x 2020 survey: Turkey's payment preferences

¹ Multiple answers possible
 Note: total figure calculated as weighted average based on population numbers
 Source: Strategy& Payments Survey 2020, Strategy& Payments Survey 2018 (10 countries)

...acceptance and mindset changing

? In situations where you pay with cash –what are the main reasons?¹

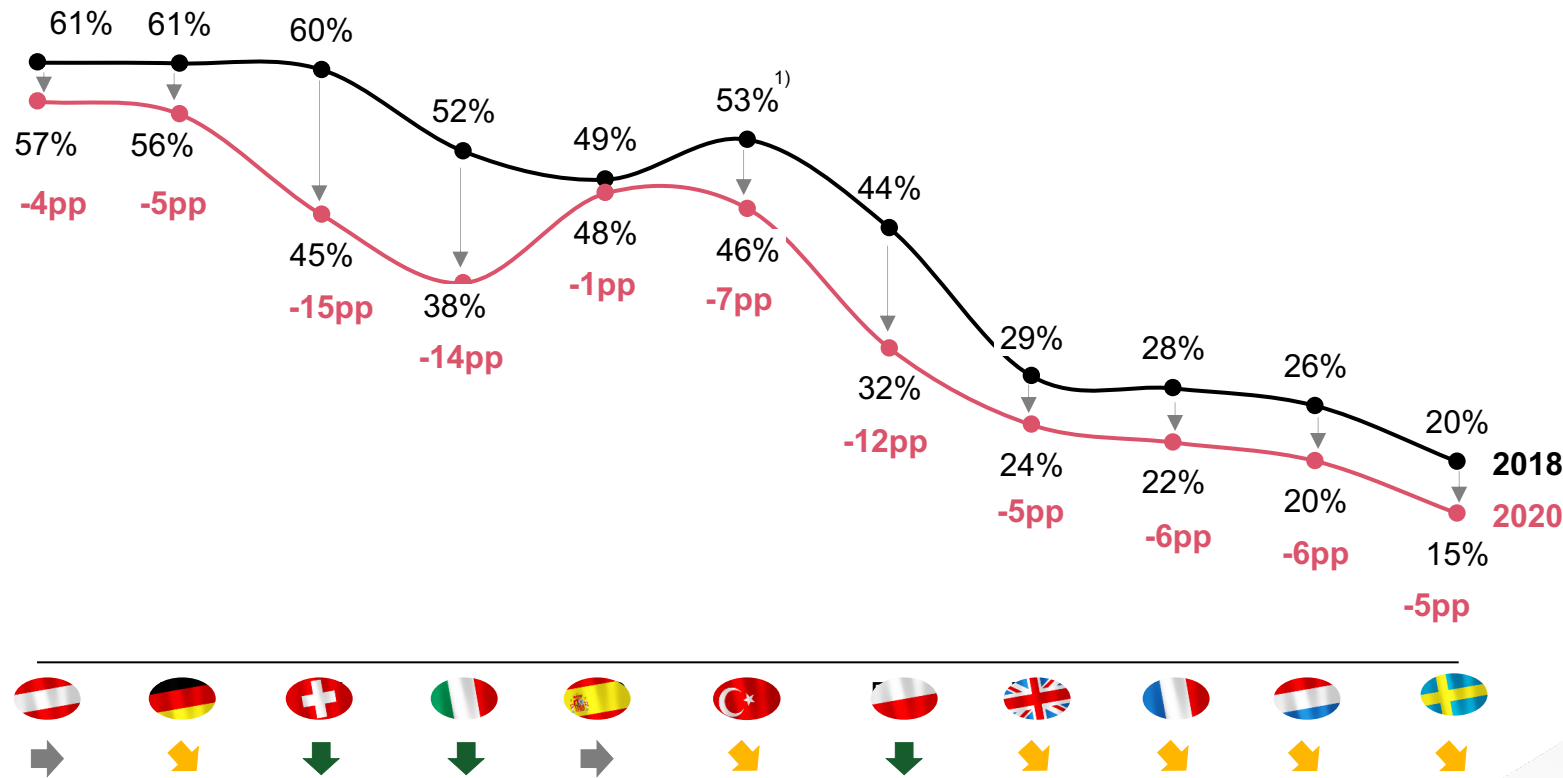


- Infrastructure improvements and increasing familiarity with cashless payments further support development
- In Turkey, the ratio of cash payments due to some merchants using only cash is lower than Europe. However, the ratio of cash payments due to security concerns is higher.

x 2020 survey: Reasons for cash payment in Turkey

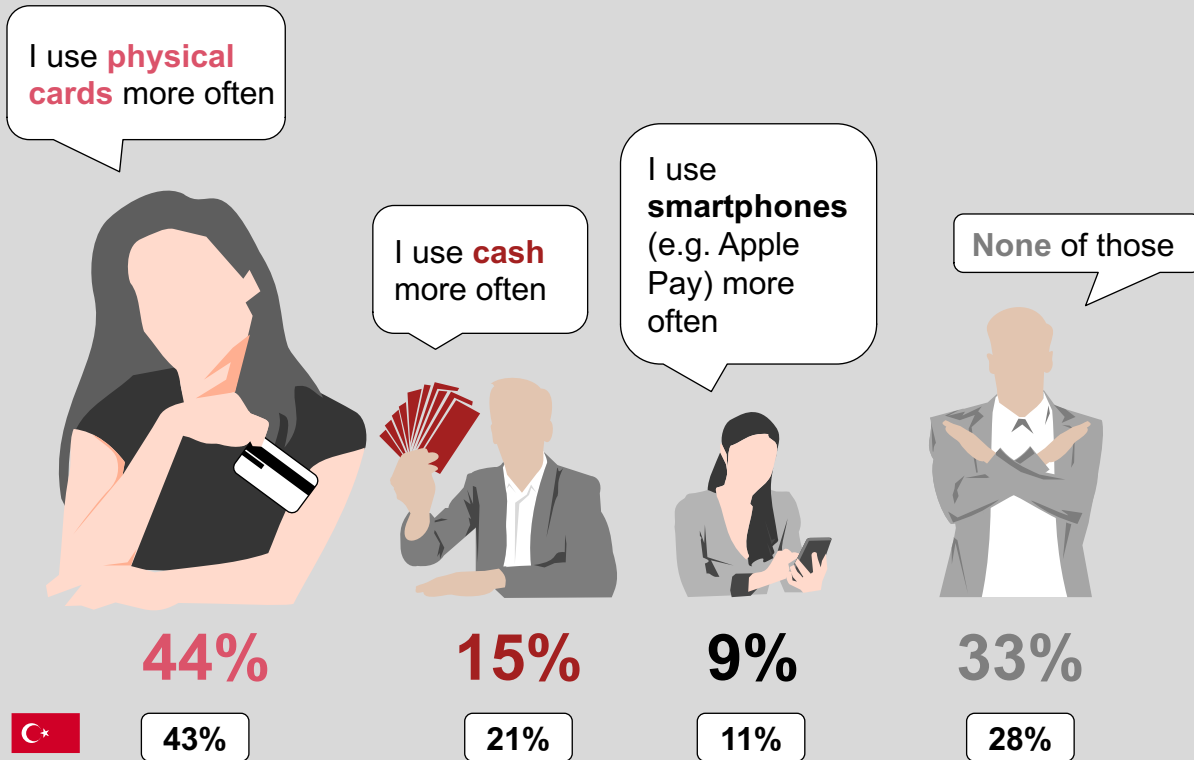
Cash preference varies greatly and has declined at a different pace

General preference for cash when shopping/ paying for services



COVID-19 a further catalyst for cash displacement...

? How did the COVID-19 crisis impact your payment behaviour when shopping in stores?



x 2020 survey: Impact on in-store payments - Turkey

¹ Answers 'No, not at all', 'Only partially'; ² Answers 'Yes, to the full extent', 'In most instances'
 Note: Total figure calculated as weighted average based on population numbers
 Source: Strategy& Payments Survey 2020

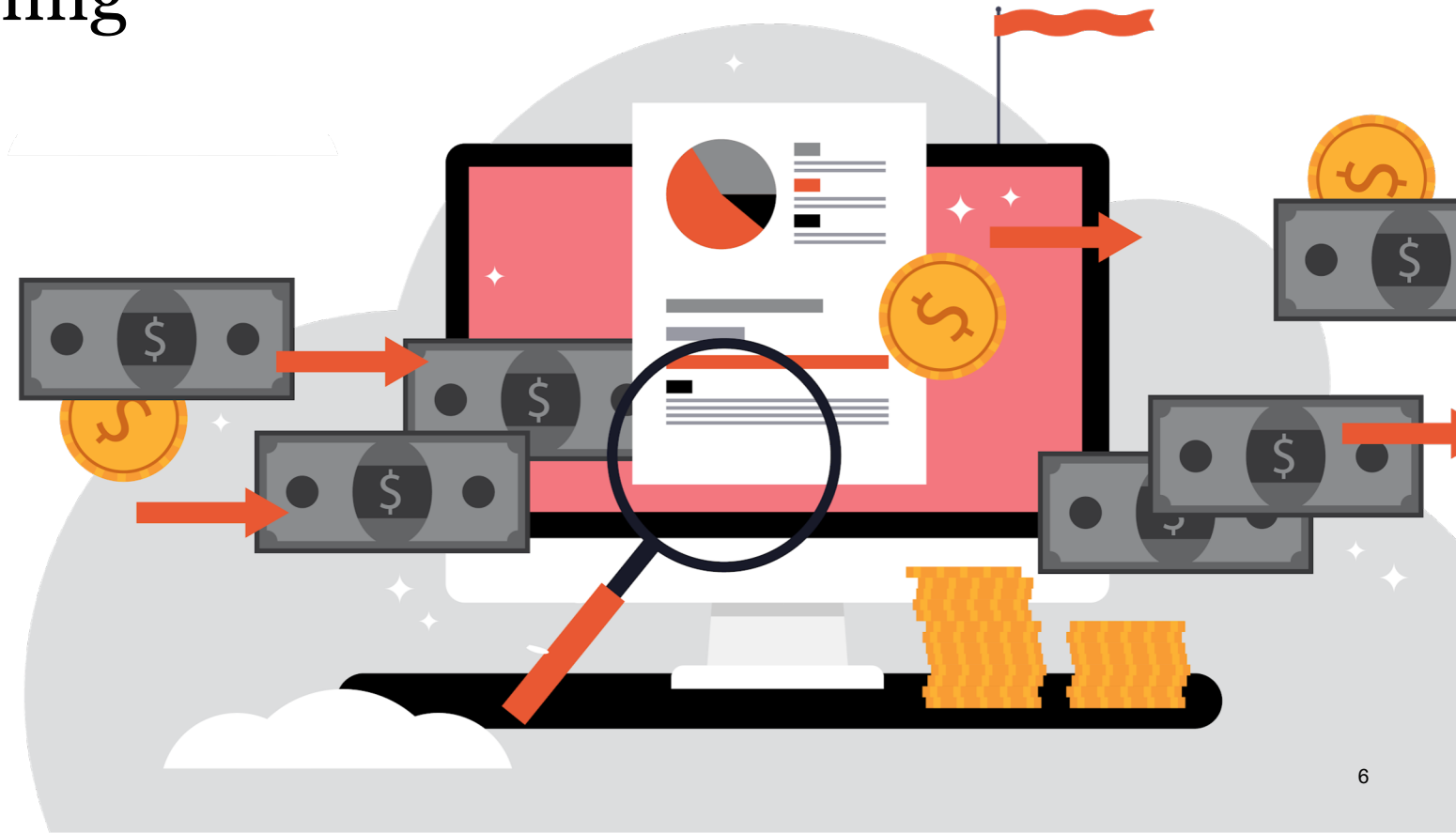
... and is expected to have a lasting impact

? Do you expect to reverse the COVID-19 crisis induced changes in your payments behavior when shopping in stores after the crisis? (Europe and Turkey)



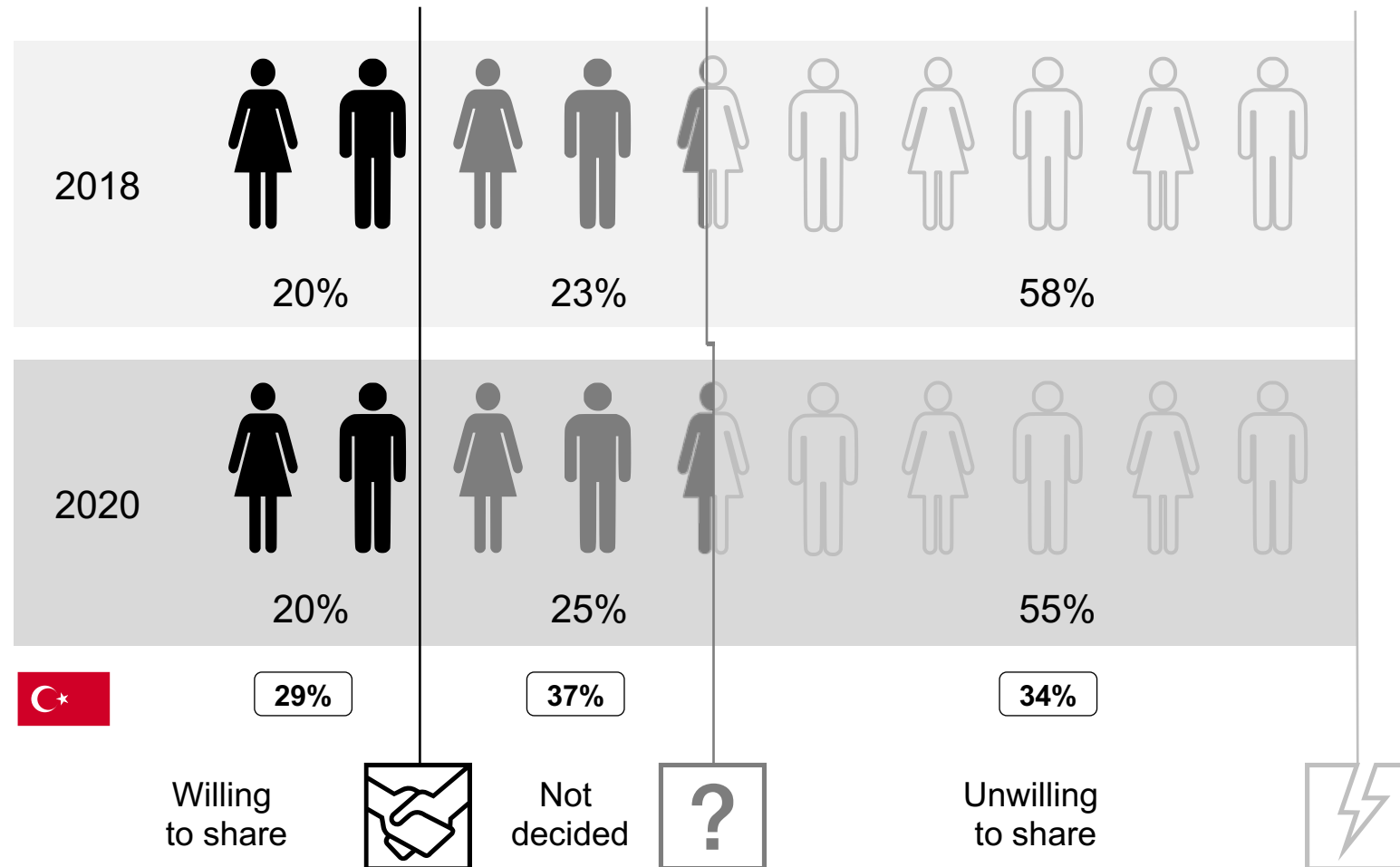
Is the move to cashless payments,
and the related increase in
available data, already fueling
Open Banking?

Not quite yet.



Open Banking: Still only slightly ajar

General willingness to share data in exchange for benefits

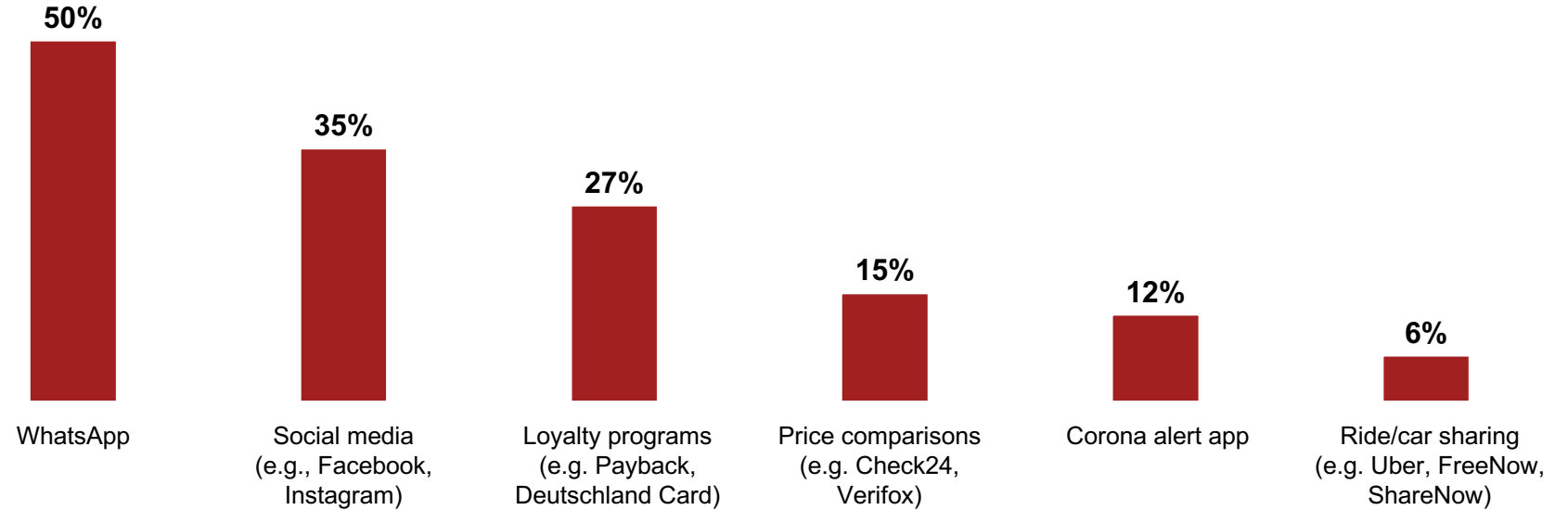
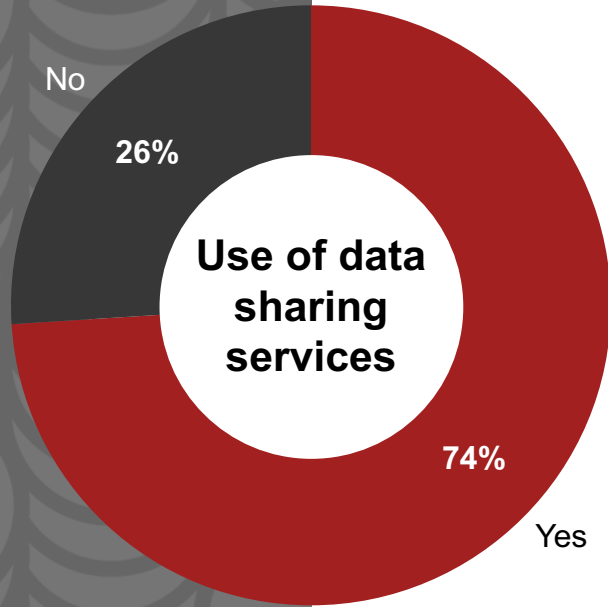


- Overall, an **almost unchanged** picture in **willingness to share data** since 2018 in most countries.
- The proportion unwilling to share decreased significantly in **Germany** and **Switzerland**, but **increased** in **Spain** and **Netherlands**.¹
- **Large variation** in willingness to share: around 30% in Switzerland and Poland but less than 13% in Spain and France.
- The ratio of Turkish consumers who are willing to share their data is above Europe average. **Turkey and Poland are among the most willing countries for sharing data.**

x% 2020: Willingness of Turkish consumers to share their data within open banking



Which of the following products do you use?¹



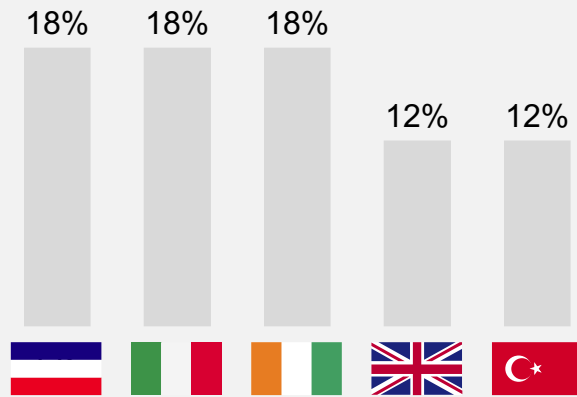
Taking a broader view: Actual data sharing beyond banking suggests wider reach is possible

Attractive benefits needed to make Open Banking a success

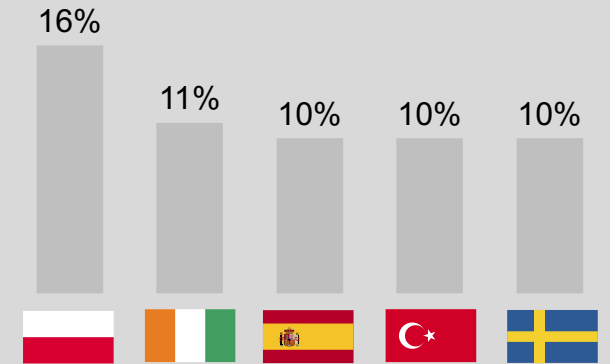
For what type of benefits would you be willing to share your bank data?¹ (top 5 countries, %)



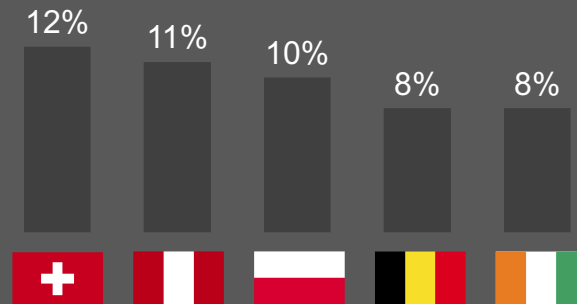
Shopping discounts



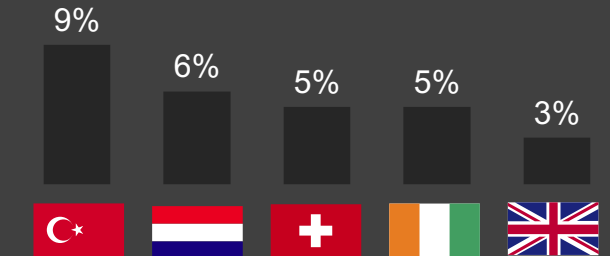
Free banking product use



Automated tax declaration



Account aggregation



¹ Multiple answers possible

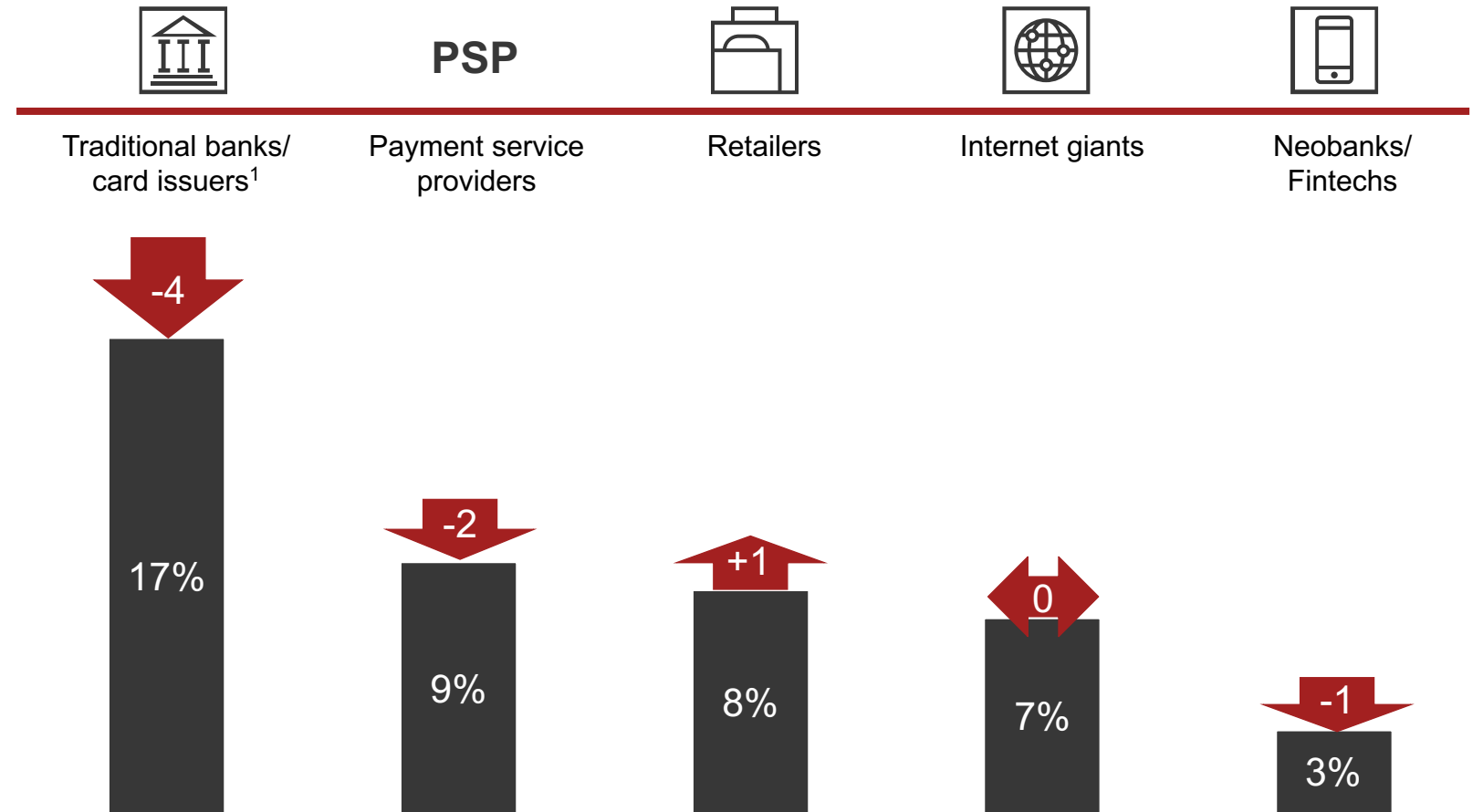
Note: Total figure calculated as weighted average based on population numbers

Source: Strategy& Payments Survey 2020

Banks still most trusted –but lead is shrinking

Trusted provider for data sharing (% of respondents in 2020, change 2018-2020)

- **Traditional banks** maintain a trust advantage over other players
- However, the trend is **not moving** in banks' favour
- All players face huge challenges in increasing **willingness to share**
- **Building trust and convincing benefits** remain key priorities



¹ >95% of cards in Turkey are issued by banks

Question: With whom would you share such data? (multiple answers possible)

Note: Total figure calculated as weighted average based on population numbers

Source: Strategy& Payments Survey 2020, Strategy& Payments Survey 2018 (10 countries)

The Central Bank of the Republic of Turkey presented the draft Regulation and Communiqué

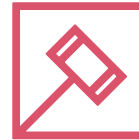
What is the status of regulations in Turkey?



Open banking is a relatively new concept in Turkey, introduced on 12 November 2019. With the adjustment in **Payment Services Law No. 6493**, payment order issuance service and account information provision service descriptions as two new types of payment were added.



However, since the legal infrastructure is not yet clear in Turkey, not many organizations carry out open banking. Therefore, Turkey being among the countries that want to share data **will become more meaningful as opportunities for sharing increase.**



The Central Bank, which is the regulatory authority, presented **the draft Regulation and Communiqué** to the relevant establishments as a secondary regulation. The secondary regulation is expected to become effective soon. Also, the Central Bank's efforts to regulate **the technical infrastructure** related to open banking is expected to be completed..



Secondary regulation becoming effective and the increase in the number of organizations carrying out open banking **will increase awareness in society and ensure an atmosphere of confidence with regard to data sharing** in Turkey.

Move forward

- Open Banking: **still only very slightly open** – further convincing required with right use cases
- Actual data sharing beyond banking suggests **wider reach is possible** –but which use cases will help?
- **Shopping discounts** are most desired benefit across countries; popularity of other benefits varies
- **Banks** need to **act now** to leverage their status as most trusted player
- With the secondary regulations becoming effective and the organizations with open banking activities becoming widespread, **awareness will increase and an atmosphere of trust for data sharing will be provided.**



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