Banking After Money

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In 2007, the EU began a long journey toward the regulation of payment services across the EU and European Economic Area. The purpose of the PSD directives was to increase pan-European competition and participation in the payments industry also from non-banks, and to provide for a level playing field by harmonizing consumer protection and the rights and obligations for payment providers and users. The journey has taken two significant moves: PSD1 (2007) that was later replaced by PSD2 (2018). Notable in the shift from PSD1 to PSD2 was the promotion toward the development and use of innovative online and mobile payments, better described as Open Banking. Open Banking has three primary characteristics:

1. The use of open APIs that enable third-party developers to build applications and services around the financial institution.
2. Greater financial transparency options for account holders ranging from open data to private data.
3. The use of open-source technology to achieve the above.

Prior to the 13th of January 2018 when PSD2 became law, two forces were in tension: firstly banks that were scrambling to ensure that they had met the regulations toward open banking and letting third party developers access to customers banking data (with their permission), and secondly the open banking community were working hard to promote the benefits to a new generation of entrepreneurs that now had the opportunity to design products and services that made the most of the new regulation.

Of interest to the author is the subtle movement that this regulation and subsequent tension revealed – that banks no longer simply store our money, but of course they store our lifestyle data. This short talk will ask participants to consider the implications that the largest digital economy does not lie within GAFAM (*Google*, *Amazon*, *Facebook*, Apple, and Microsoft) but within the banks that are beginning to share our most personal transactions.