The three transitions required to build an open banking marketplace

API Centre Standards Launch

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Westpac New Zealand | May 2019

Photo Credit: Tony Hand on Unsplash.com

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Congratulations

and Thank You

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My focus is on the organisational change required to allow Open Banking to succeed.

I'd like to share what we've learned managing this change and its implications for New Zealand.

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Three different transitions are needed to support a vibrant marketplace

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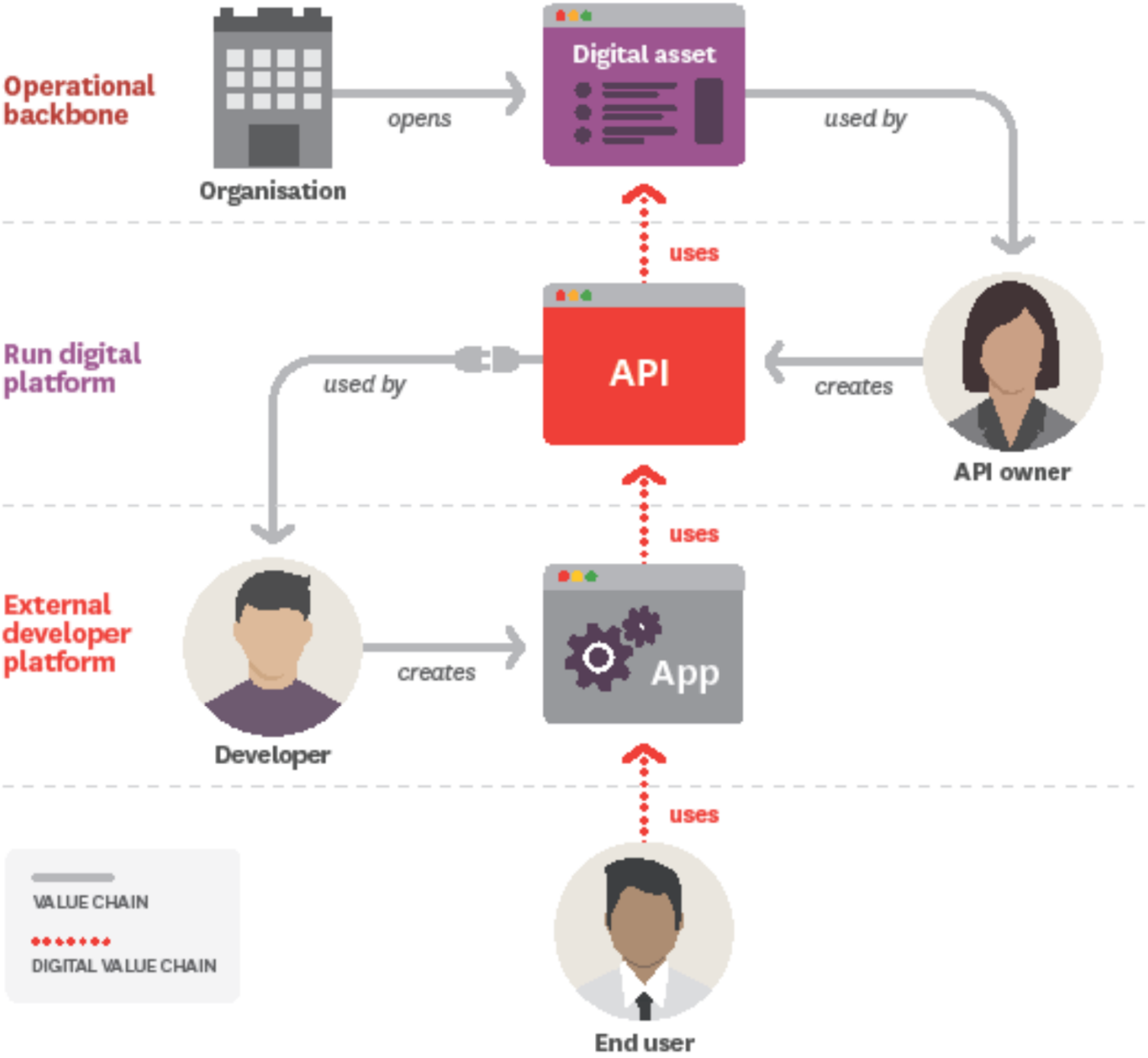

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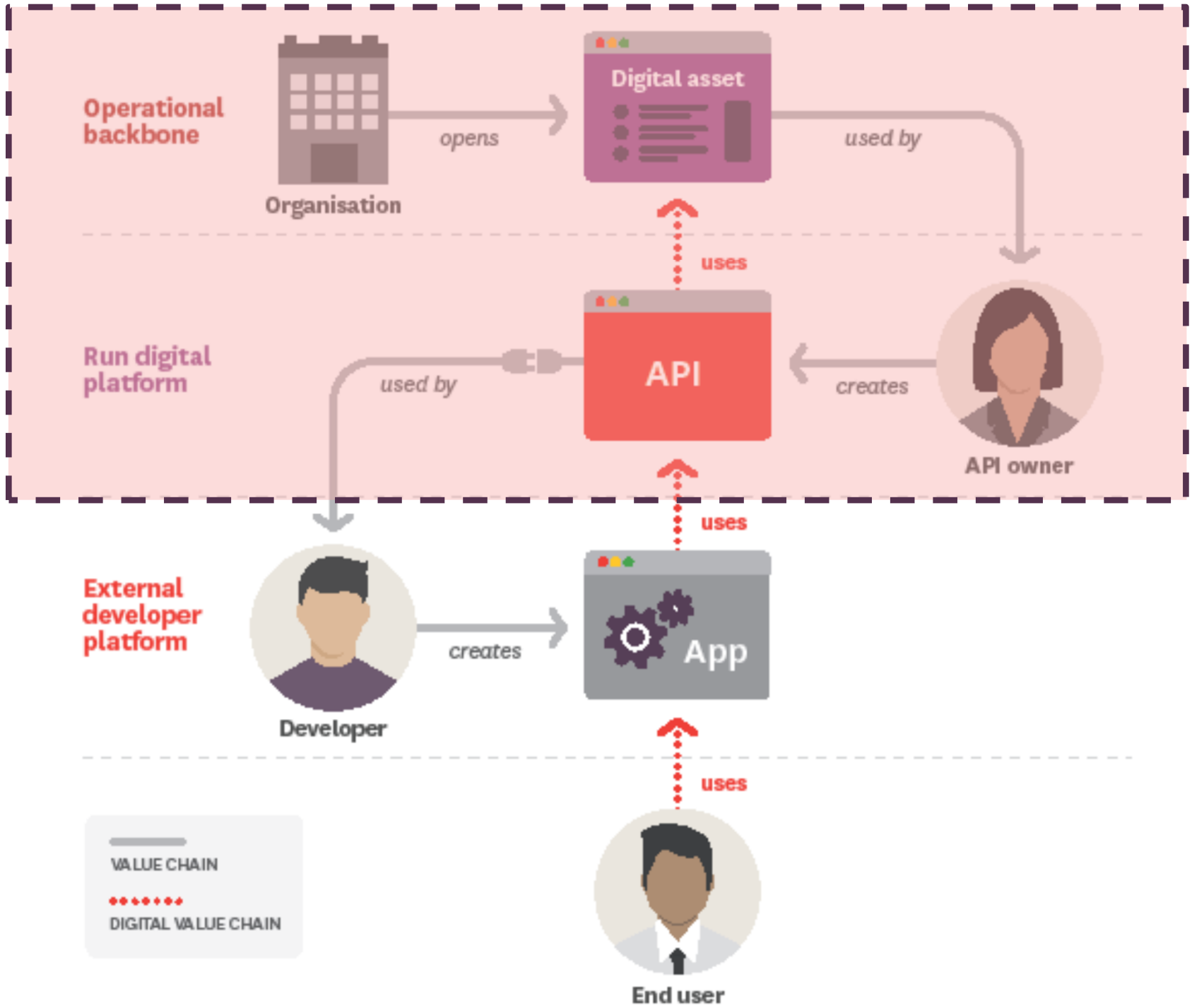

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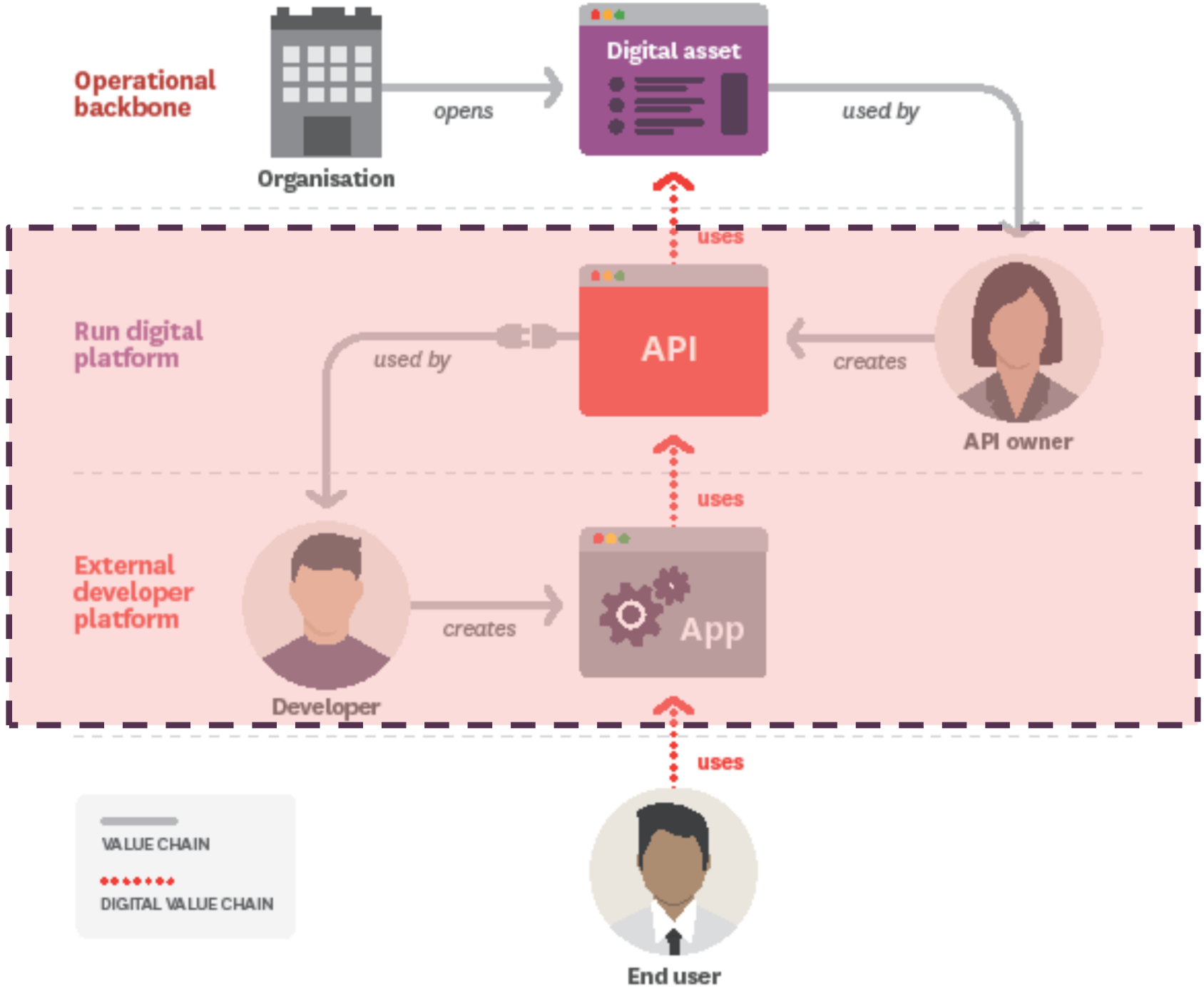

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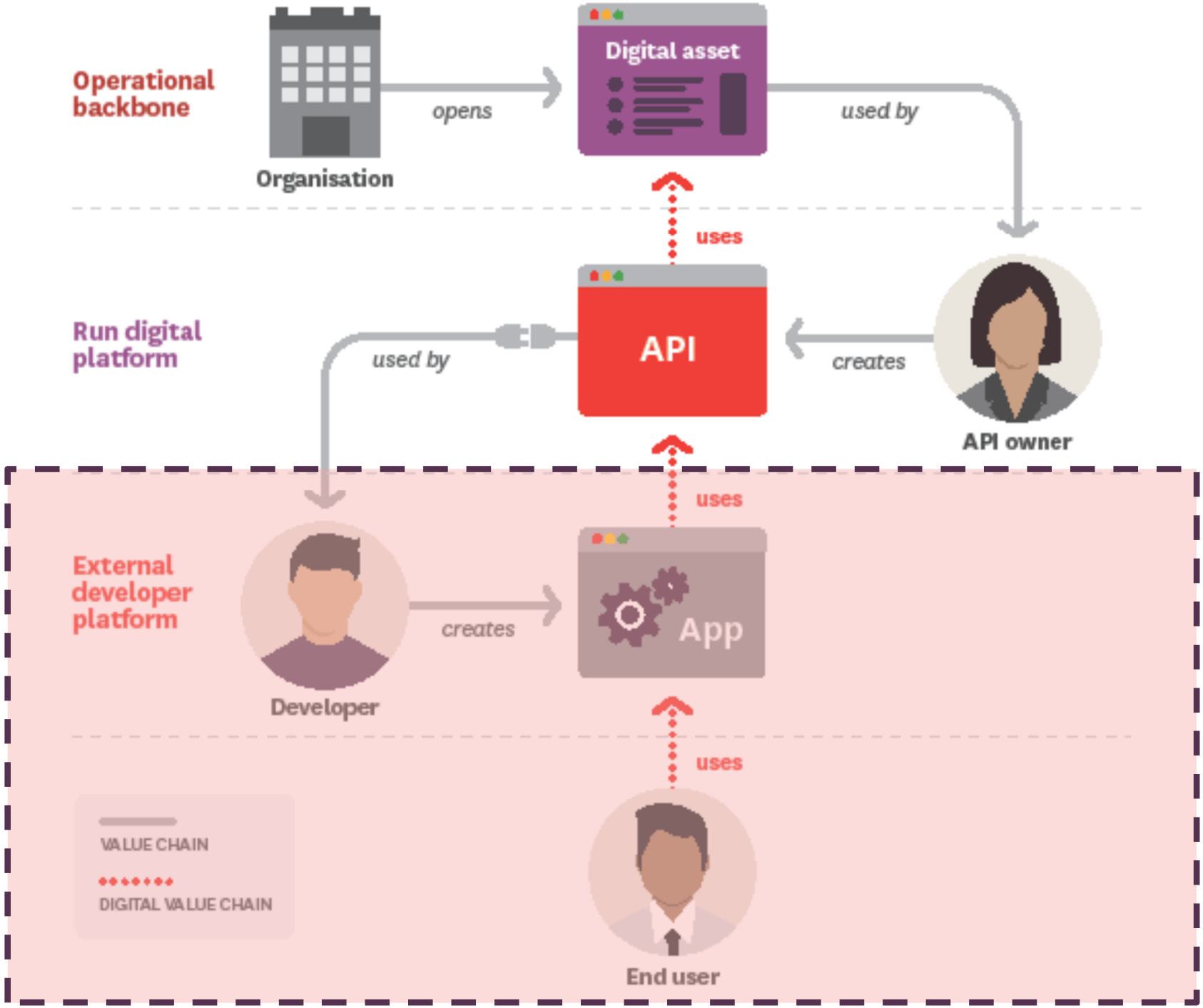

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The three transitions

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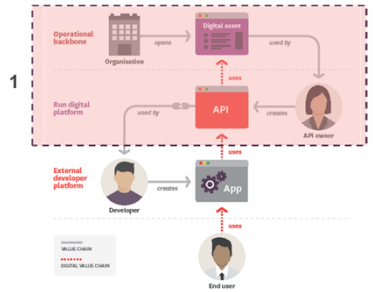
Transition 1:
From Project to Service



- We have been building external APIs for over two years. > 10M messages a month through our platform
- Capability – ESB / API Connect / Internal services
- Supported by software product owners of core systems and our solution architecture process.
- Product: Direct from Account
- Projects: Datacom Sphere and Paymark Online EFTPOS

A graphic to illustrate part of the user journey created through use of the Direct from Account product.

Open Banking is a digital transformation activity. We need changes to policy, process and new operating model to support services like this.

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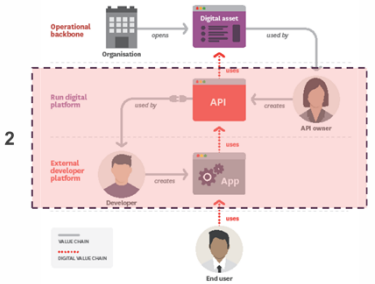
Transition 2:
From Idea to Business



- An API is a Westpac Product.
- We have considerable experience with wholesale banking services.
- We are proposing to:
  - On-board Third Party Providers (TPPs) as a customer of Westpac New Zealand
  - Assess how you wish to use the services as part of your product.
  - Confirm you have the capabilities to manage our shared customer's data.
  - Arrive at a commercial agreement.
  - Work with you to test, deploy and support your new product or feature.

The Third Party Provider (TPP) on-boarding process will accelerate with time. Initially, we will likely have to manage the demand with our available capacity.

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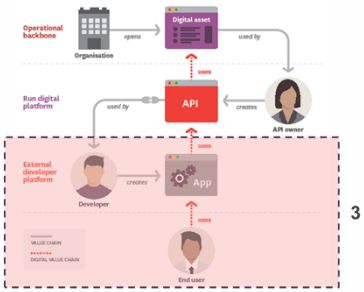
Transition 3:
From Unaware to Informed



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- A consumer's relationship with their data, especially in 2019, is complicated.
- We have a duty of care to our customers to manage their data.
- Customers own their data and we should respect their wishes.
- Initially, some of our customers will love being able to connect their Westpac account to new services. Others will never use it.
- If no customers release their data, Open Banking will fail.
- Granularity will drive discussion: DD sign up, Spend and Save, Income eligibility and Loyalty.

The conversation on data will likely become more granular as the first applications are launched and we collate feedback from our shared customers.

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An ask of you

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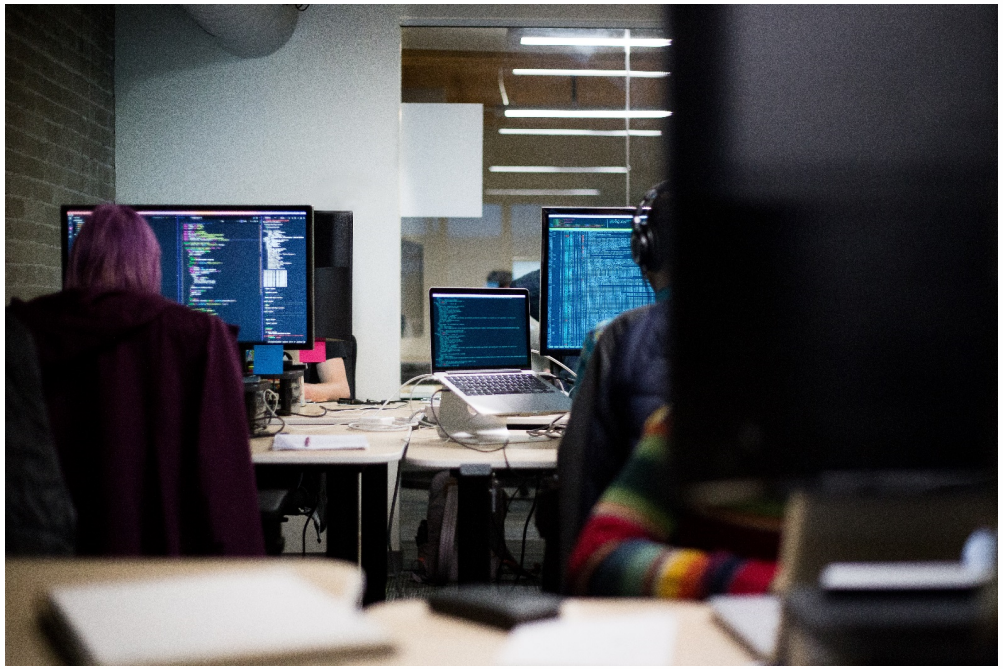
Let us never lose sight that the system could fail. We must continue to listen actively to our customers.



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