6 PITFALLS TO AVOID FOR A SUCCESSFUL PSD2 PROJECT

1 Considering PSD2 only as a "compliance project" where FinTech's added value is not envisioned in the digital transformation of the Bank.

API

Our advice: Accept that FinTechs can propose new features faster, cheaper and in a more customer-centric way than Banks can.

Shift towards marketplace banking. Become an actor of the new eco-system.

2 Doing an extreme positioning of Open Banking within the Bank.

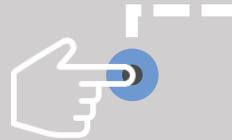API complementary to other channels

API access proprietary, with a poor user experience

API first strategy at the expense of other channels.

Our advice: Consider that the different channels are complementary and represent different options for each customer.
There is still place for branches, web and mobile channels ...

Channel ubiquity: the customers can choose the most comfortable channel for them, even if the channel is not directly provided by the Bank.

3 Making the authorization process (SCA) so frictional that the user experience will suffer.

Our advice: Apply exemptions to SCA when proposed by the RTS.
Evaluate the risk of a transaction to decide whether SCA applies or not.
Propose, if required, different methods of managing SCA. For example, introduce biometric authentication methods.

The Open Banking channel must be trustworthy, secure and respectful of privacy.
On the other hand, the FinTech eco-system requires a flexible and frictionless integration of the authorization processes.

4 Creating a separate system for PSD2 or more generally Open Banking with replicated database, separate authorization process and ad hoc services.

Our advice: In other words, don't (re)create siloes in your IT organization. Extend your multi-channel architecture with a new channel called Open Banking: share data and services between channels. Align the authorization process for APIs with those developed for web or mobile channels.

Build an Omnichannel system architecture

Keep the different channels consistent

Adapt to the most growing channel without creating siloes.

5 Thinking that PSD2 adoption will be very slow due to the lack of standardizations, the gap of perceptions between FinTechs and Banks or even the blurred regulations, in particular regarding penalties for non-compliancy.

Our advice: Take benefit of the well-known agenda to endeavor the project, avoid the contingency solution and raise your management awareness of the stakes.

Adopt the right implementation timing to prevent costly and time-consuming fallback solution.

Keep the control of resource usage through API monitoring

6 Develop your own standard making your participation in the eco-system poor. If your bank account cannot be used by FinTechs because your API is considered as exotic, your customer will turn away from your bank and use another account.

Our advice: Follow the emerging standard in your country (STET in France, Open Banking in UK, Berlin Group in Germany, the Netherlands and Belgium ...).
If you have European ambitions, you should be compliant with multiple standards.

Be compliant with marketplace best practices. Even if the directive and the RTS didn't define a European standard, there are a limited number of standardization initiatives that must be followed.
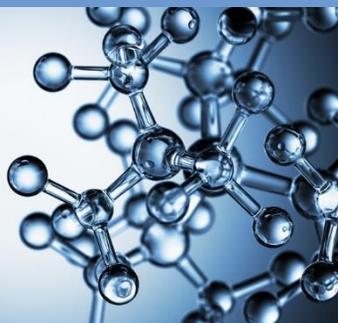
MAINSYS
Services@Banking

FRONTeO

THE OMNICHANNEL SOFTWARE DESIGNED FOR CUSTOMER SATISFACTION

FRONTeO Branch
The solution for all branch activities

FRONTeO e-Banking
One global and multiplatform e-banking solution (web|mobile|tablet)
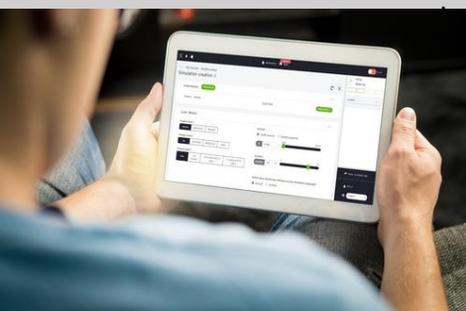
FRONTeO Open Banking
Offer new services around the PSD2 regulation

F2B

THE BUSINESS SOLUTIONS FOR FRONT TO BACK ACTIVITIES

F2B Payments
Front to Back components combining account management and payment functionalities

F2B Loans
Front to Back loan management solution, with an on-line loan acquisition process

MAINSYS
Services@Banking