

PSD2: THE UNNOTICED END OF AN EPOCH

The bank monopoly on account data ends - but customers are not aware of it



"PSD2? Never heard of it! Despite a one-and-a-half year lead time and broad media coverage, the new EU Payment Services Directive PSD2 and its effects are not at all present among many German consumers: According to a representative online survey commissioned by the information service provider CRIFBÜRGEL, 59 percent of the respondents had never heard of the second Payment Services Directive (PSD2) in August 2019. The remaining 41 percent knew the term, but only 7 percent of those surveyed knew what it meant."

According to the EU's PSD2 Directive, from September onwards banks will have to allow other companies registered with the Financial Supervisory Authority to view their account data if the account holder agrees.



The data interfaces are provided by the banks, but they often function only to a limited extent. Therefore, the German financial regulator BaFin postponed the launch of PSD2, which was scheduled for September 14, giving banks time to make improvements. "The banks should now make use of this delay, also in customer communication. Education is needed and younger customers in particular are very interested in PSD2-based services. The banks can score here with transparency and service, because for many consumers they are still the first address in financial matters", says Christian Bock, Managing Director at CRIFBÜRGEL.

As the most important source on the subject of PSD2, 15 percent of those surveyed also named their bank, followed by classic media with 11 percent and social media with 10 percent.

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Use beats Knowledge



Only around one in six respondents (17 percent) has ever used services for which they have allowed access to their bank account. These include online comparison pages and banking apps. 83 percent say they have not used such services so far. However, 70 percent of those surveyed use various financial apps from external providers: 59 percent use them to make transfers, for example with Paypal. 35 percent of the respondents check their account balance with a mobile banking app such as Numbrs and another 24 percent use apps to pay with their smartphone. "The fact that such functions also work with account data, that the EU directive therefore also applies to Paypal and Co., and how exactly access paths and payment processes work, is apparently not yet fully apparent to users," says Bock. "Benefit beats knowledge". Until now, users of such services often simply gave the login data to their accounts and these then accessed the data. PSD2 changes the situation: providers now need the explicit consent of users, secured by PINs and other authentications - depending on the bank's requirements, the consent must be renewed every three months. Moreover, the providers are now monitored by BaFin, which was not the case before. The PSD2 Directive will thus strengthen consumer protection and make new, smart services possible: in future, comparison portals will not only be able to list the cheapest insurers or electricity providers, but will also be able to check on the basis of the customer's account data whether he or she is paying too much for insurance or electricity.

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Cyber protection is the most popular service

There is a fundamental interest in such PSD2-based services: 45 percent of respondents are very pleased with notifications when money can be saved through a change of contract - for example with the electricity provider or the insurance company. Or if customers receive individual offers for loans or a new electricity tariff on the basis of their account data without obligation: Such a service is popular with 34 percent of respondents.

However, PSD2-based offers can also help to protect the customer's identity and data from misuse. In addition specialists supervise the data registered by the customer, such as name and address, account number or credit card data, in the Internet and in the Dark Web and give notice if suspicious or even stolen data emerge. 64 percent of respondents find such notification valuable and much more interesting than insurance or personal assistance (39 percent) in the event of identity theft.



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Most trusted provider? My bank!

A central aspect for the choice of a provider of such services is the protection of personal data: 65 percent of respondents allow access to their bank data if they can revoke their consent at any time. 55 percent do this if the provider complies with European data protection standards and another 55 percent share their bank data if they have already had good experience with the respective provider.

The most trustworthy provider for 67 percent of respondents is their own bank. Compared to the previous year's figure of 64 percent, it was again able to increase by 3 percentage points and only 30 percent put other banks and credit institutions at the bottom of the league. 26 percent of the respondents already trust Amazon. Other companies such as Google (15 percent) and Facebook (8 percent), on the other hand, rank lower when it comes to the question "Who would you trust to access your bank data? Providers such as Numbrs (10 percent) and N26 (12 percent) are also hardly in a better position.

But the competition is catching up: Compared to the previous year, Amazon gained 6 percentage points, N26 and Numbrs 4 each, even Google and the taillight Facebook were able to make up 2 percentage points. At the company's own bank, the figure was still 3 percentage points, but only 1 percentage point for the other banks. "The race is open. Despite possible data protection concerns, international web groups such as Amazon will soon be on a par with companies in the German banking industry," says Bock. "The fear of many banks of losing contact with their customers is therefore well-founded. Their primary goal must therefore be to expand their range of services with PSD2, to set up their own partner networks and thus offer customers added value that they find meaningful and attractive.

To the survey:

In August 2019, on behalf of CRIF Bürgel GmbH, the market research institute INNOFACT conducted a quantitative online survey with 1,000 consumers on the subject of the PSD2 Directive. INNOFACT also carried out the previous study on the same topic in November 2018. The aim of both studies was to determine the attitudes, experiences and usage behaviour of German consumers in current banking as well as in PSD2-based services.