



Journey to open banking ...Kiwi style

Webinar 9am-10am, Wednesday 18 May 2022

techweek



Agenda

9.00am – 9.10am

Welcome and background on API Centre

Philip Cass, API Centre Manager

9.10am – 9.30am

API standards – What do they do and how do they do it?

Gavin Wong, API Centre Lead Architect

9.30am – 9.55am

The power of open banking and what it means for society

Jamie Leach, Chapter Lead at FDATA A&NZ

9.55am – 10.00am

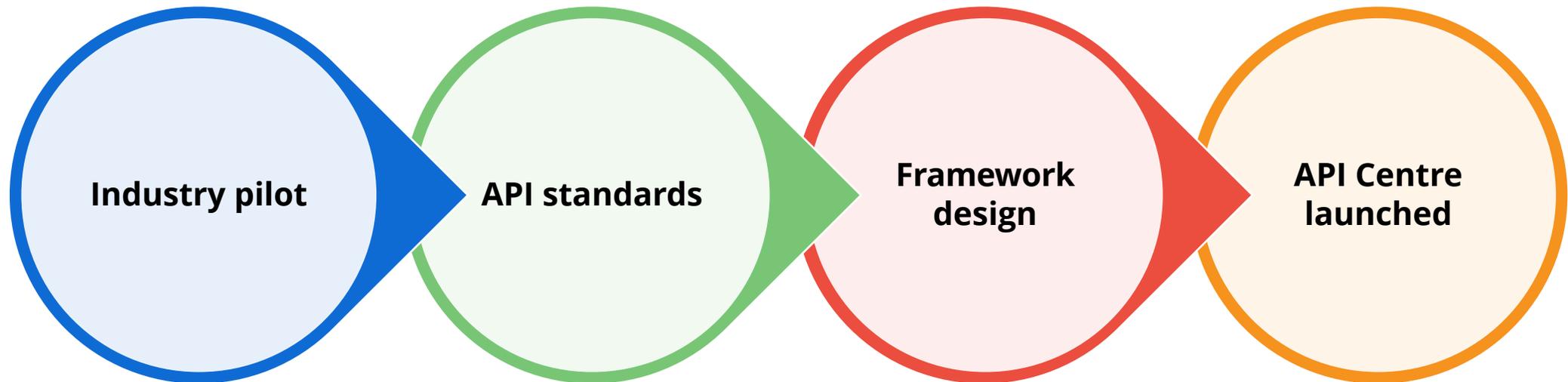
Closing remarks

Philip Cass, API Centre Manager

**Launched
May 2019**



Journey to launch



- Closed Feb 2019

- v1.0 published Feb 2019
- Account Information
- Payments Initiation

- April 2019
- Governance
- Roles & responsibilities
- Operational & standards management Policies
- Membership criteria
- Working Groups

- May 2019

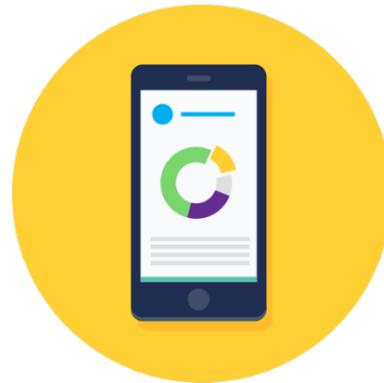
API Centre - involvement

Standards Users



API Provider

Banks / financial institutions etc that provide bank accounts



Third Party

Any organisation wanting access to bank account data or payments initiation services

Community Contributor



Any individual who wants to test in our industry sandbox and have input into standards development.

Standards Users & Community Contributors

API Providers (8):



API Third Parties (13):



Community Contributors (138):

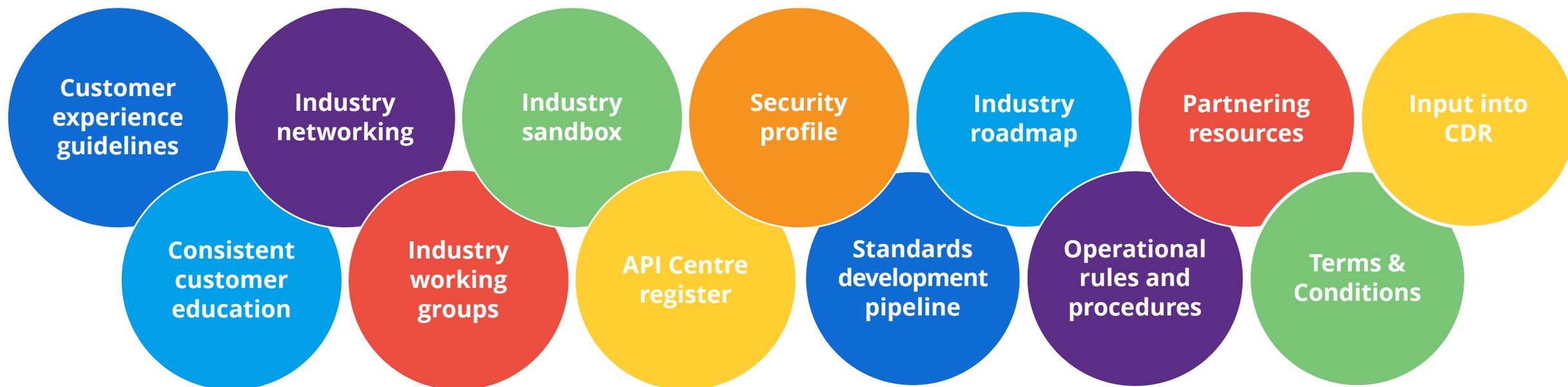


From launch to present day API standards...



- Open standards
- v2.0 published April 2019
- v.2.1 published November 2020
- v2.2 & v2.3 scheduled delivery July / Aug 2022
- Present – detailed v3.0 scoping

More than just API standards...



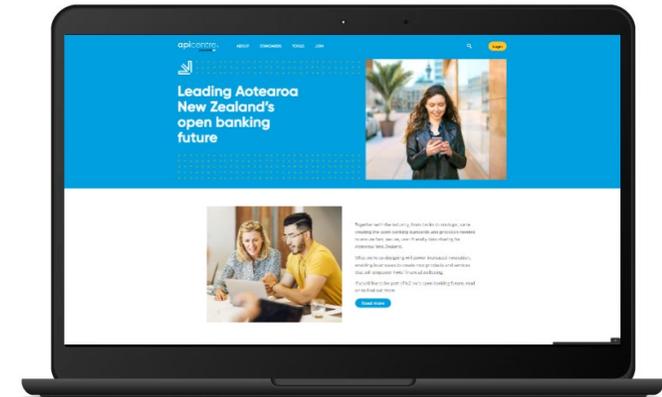
How to get involved



Have an in-person chat with one of us



Become a Community Contributor or Third Party



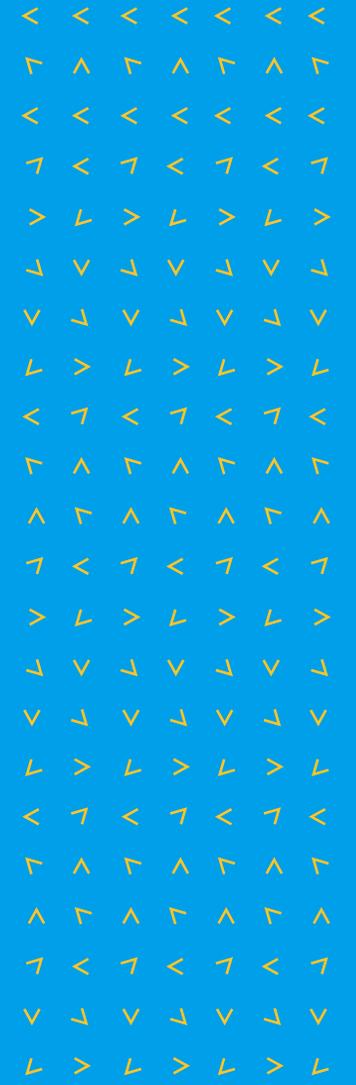
Visit us at apicentre.paymentsnz.co.nz

API standards

What do they do and how do they do it?



Gavin Wong
API Centre Lead Architect





API standards

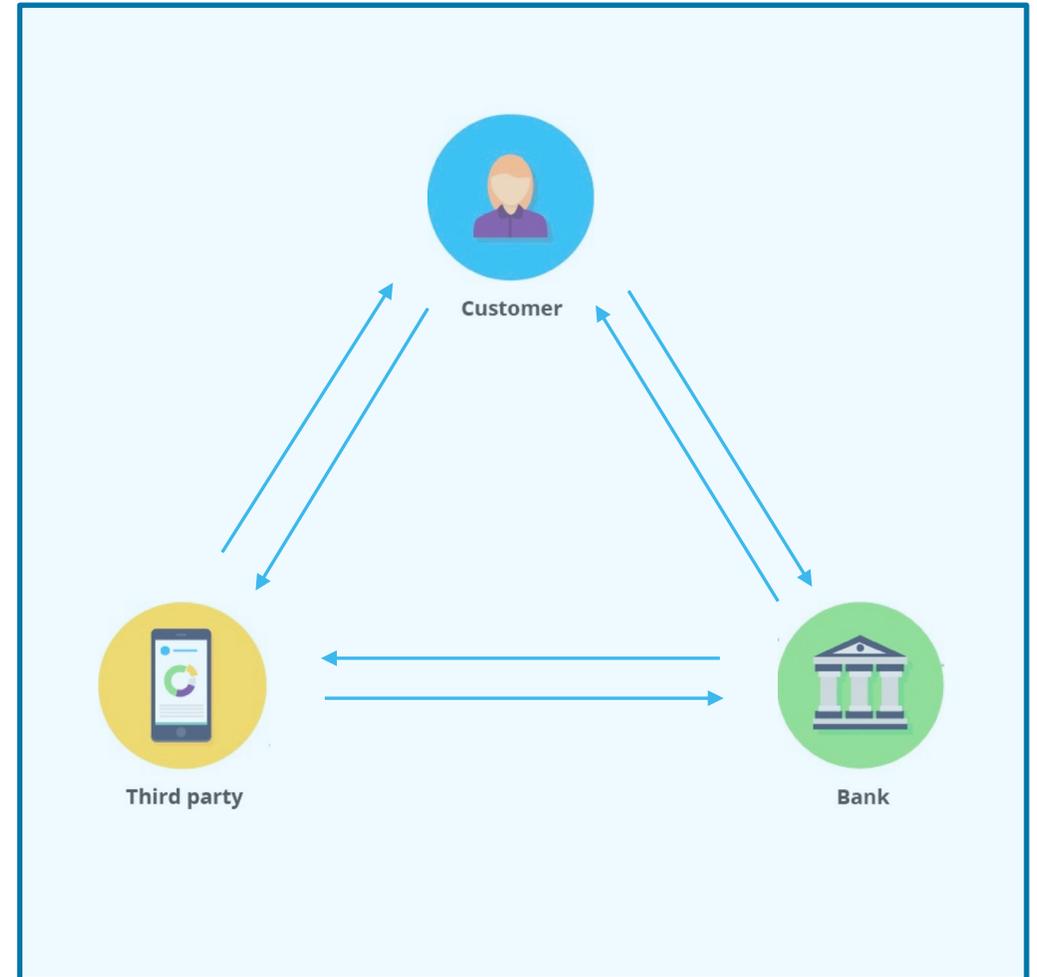
What do they do and how do they do it?



Standards

What is the point of standards?

- Simplifies integrations between Third Parties and API Providers
- Customer expectations and functionality across the ecosystem can be managed
- Ease adoption
- Learn and iterate



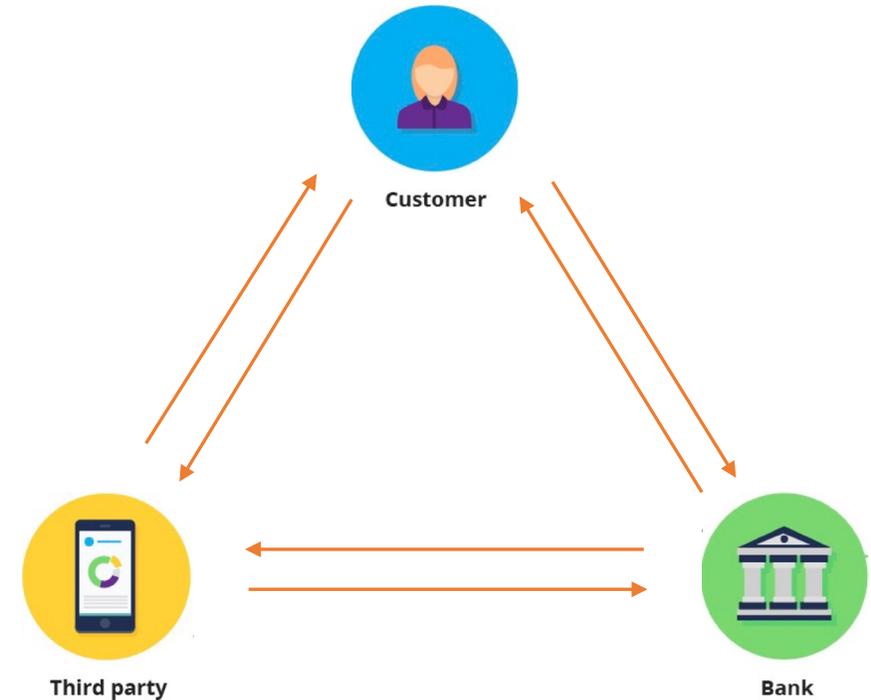
Security Profile

This is the “how”

Any access to an API Provider’s resources and systems must be in an environment that has the following characteristics:

1. Clear identification of all parties involved
2. Secure and non-repudiable communication channels
3. Prevention of unintended or unauthorized (accidental or malicious) release of data
4. Performed through a process where the Customer’s consent can be obtained, verified and revoked
5. Technically implemented using standard internet technologies to aid adoption

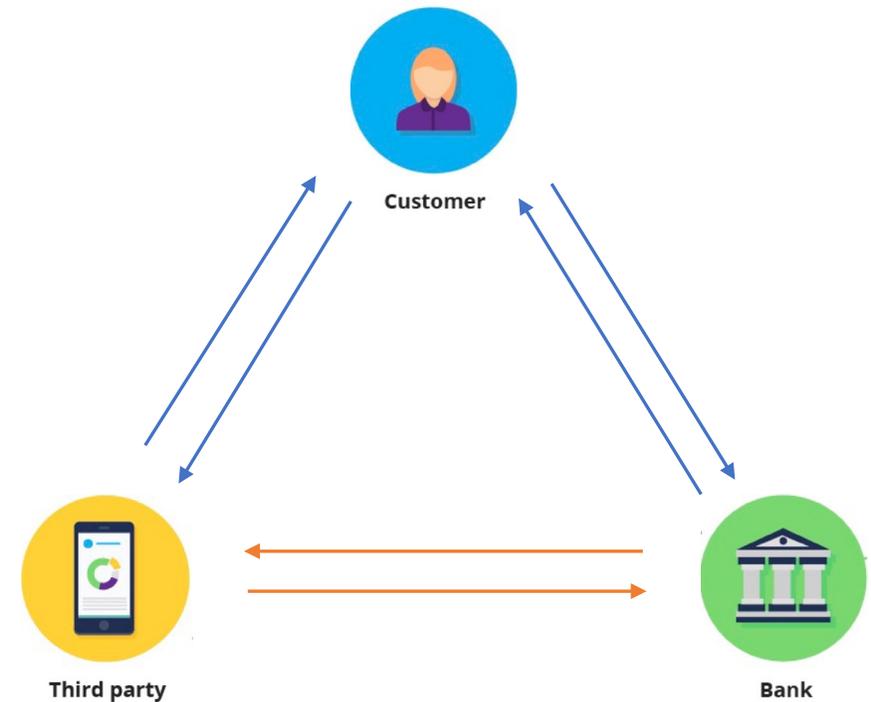
OpenID Financial Grade API Profile



Functional Standard

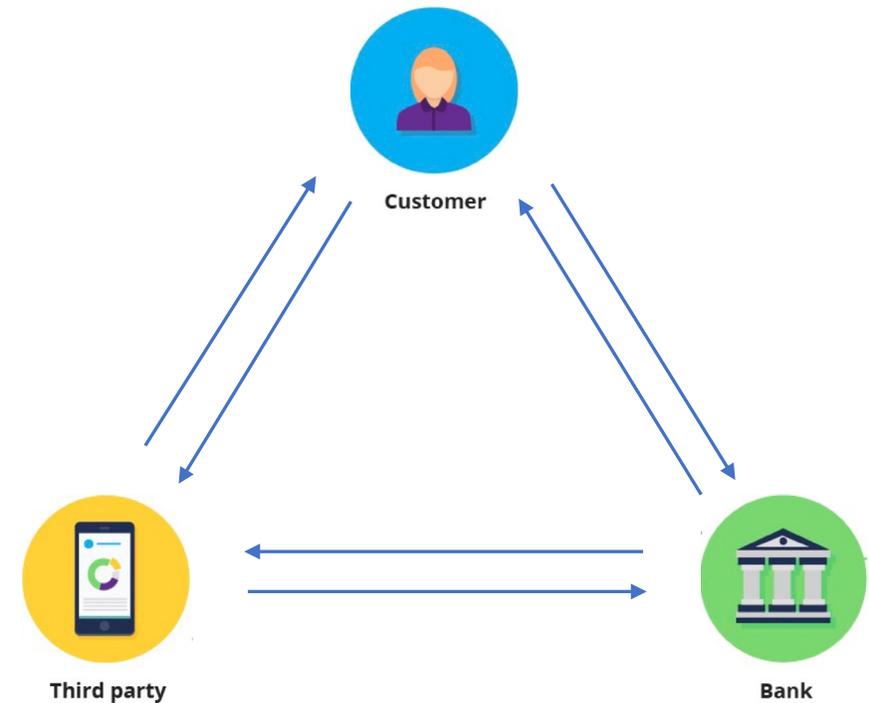
This is the “what”

- With the absence of regulatory drivers in New Zealand – we have taken a market led approach to defining the functional standard
- Covers both read access (to Account Information) and write access (to Payment Initiation)
- After initial industry assessment in 2018, the industry selected the UK Open Banking Implementation Entity's standard as a basis for ongoing development



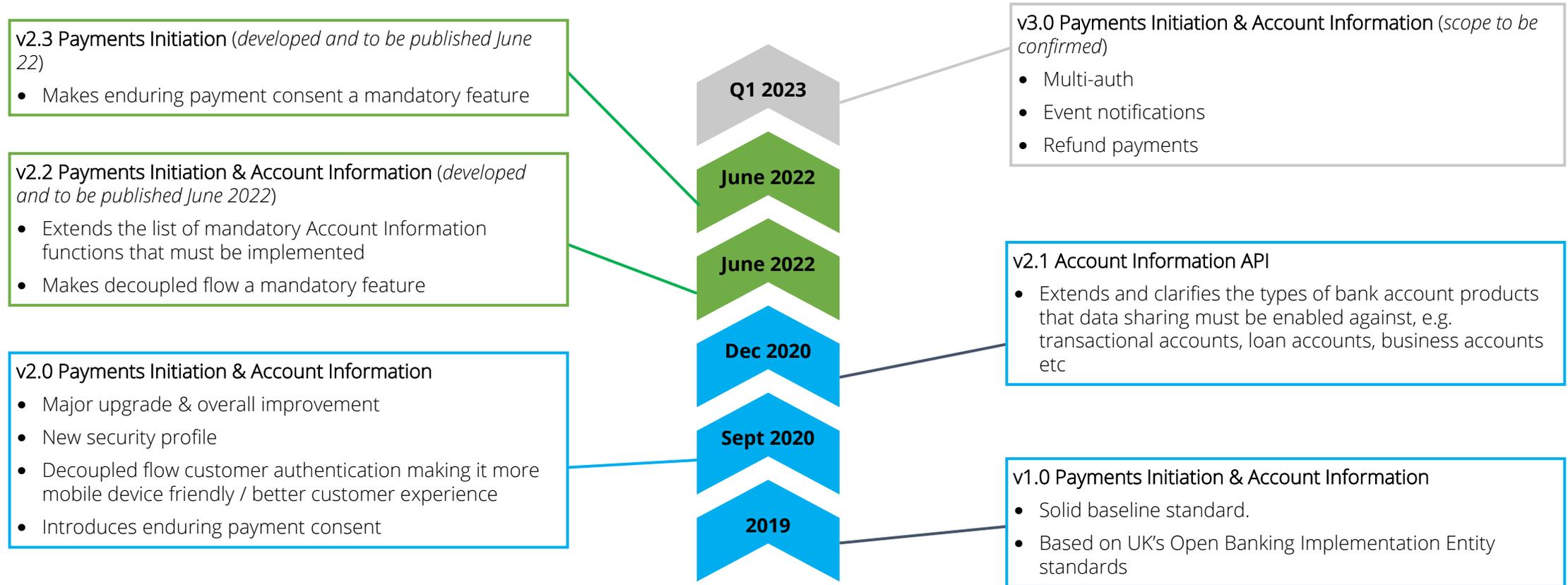
Development Process

- Fortnightly working groups – both Business and Technical
- Business define the scope of the API standards
- Technical work through agreeing the detail of the API standard – and raise scoping questions back to the Business
- Principles established
- Development in the open with the community



Development Pipeline

API standards are continuously improving and expanding. Versioning lays down the tracks for a sequenced implementation.

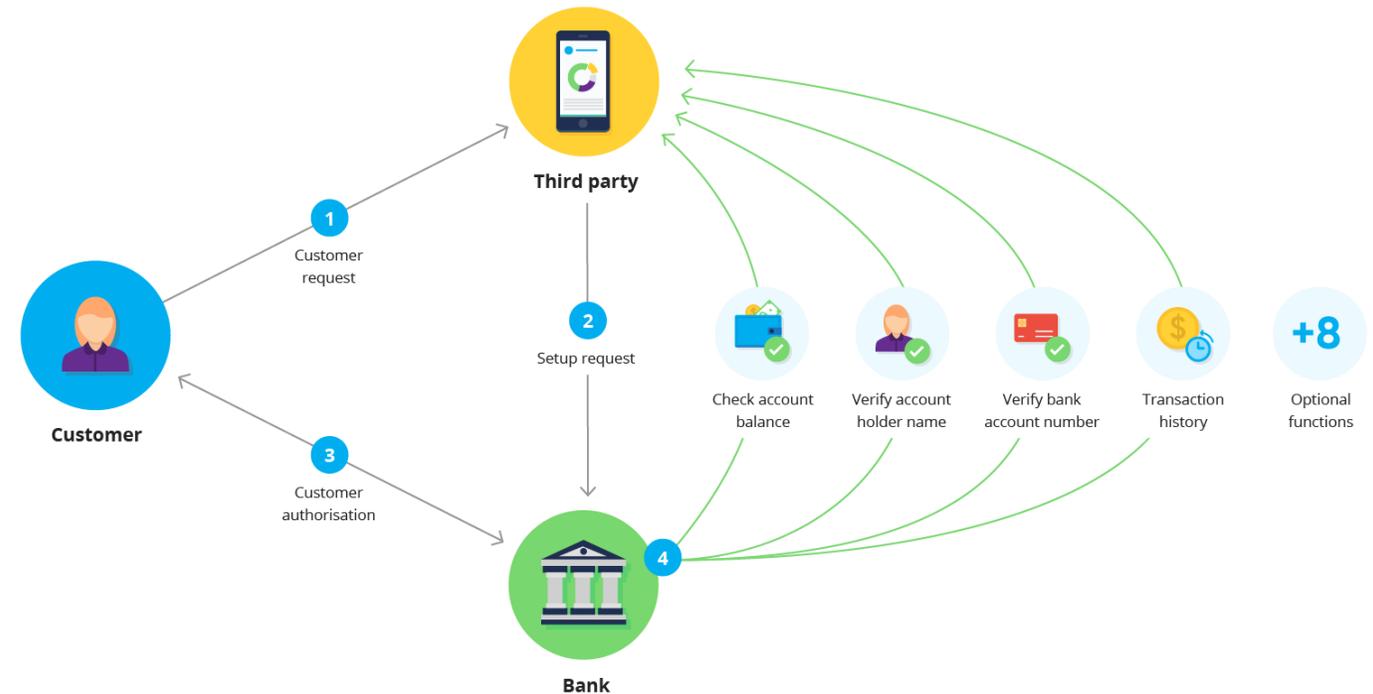


Account Information

How can customers share bank account data with a Third Party?

A Third Party is required to obtain a Customer's consent. The Customer must authorise that data sharing consent with their bank:

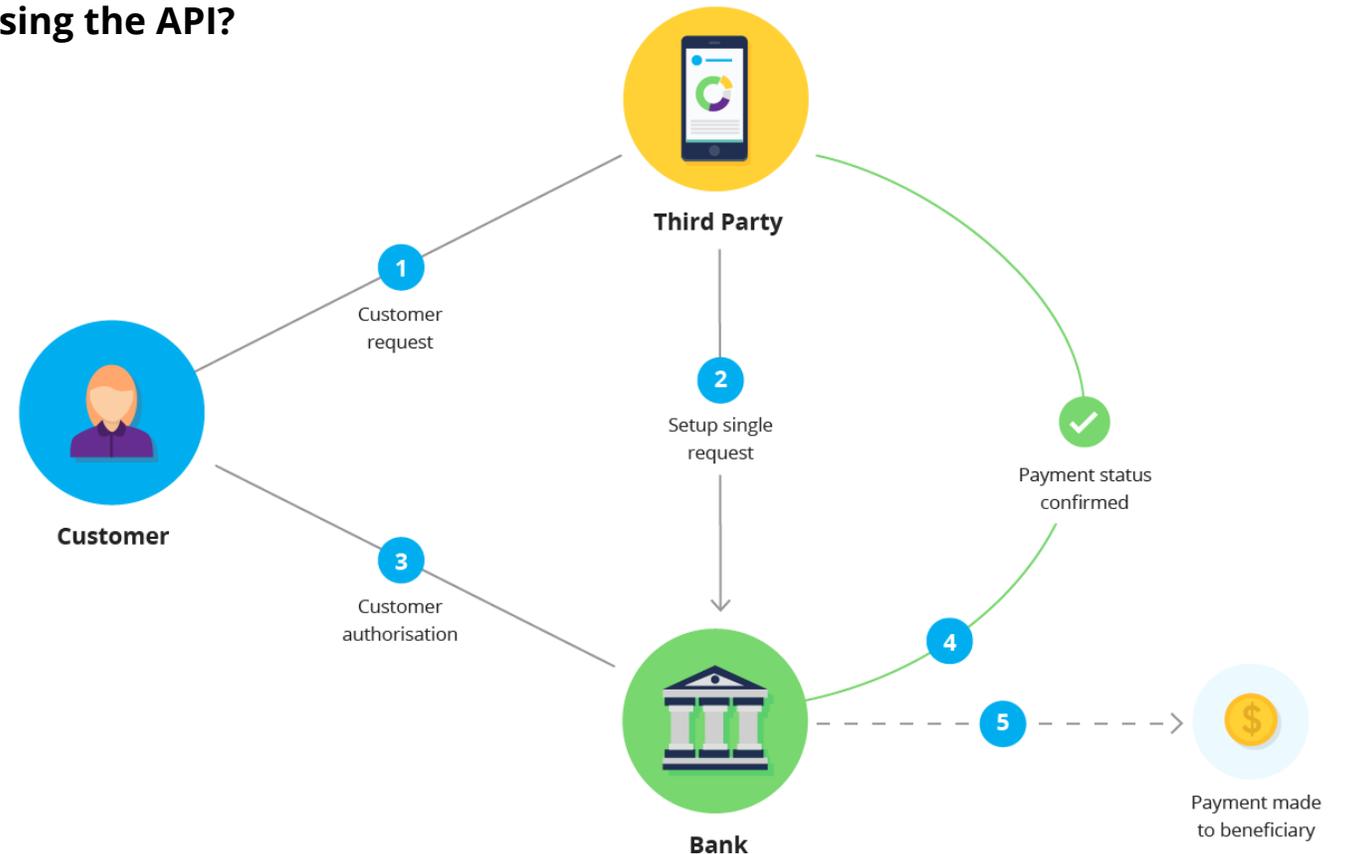
- 1. Customer request** – Customer agrees what data the Third Party will have access to and for how long.
- 2. Setup request** - Third party creates and submits the consent to the API Provider, i.e. bank
- 3. Customer authorisation** – Customer provides their consent directly to their bank.
- 4. Access account information resources** - Third Party is provided with requested data by the API Provider.



Payment Initiation

How does a Third Party initiate a single payment using the API?

1. **Customer request** – Customer agrees consent at Third Party (i.e. to make a payment through their bank)
2. **Setup request** – Third party creates and submits the consent to the API Provider, i.e. bank
3. **Customer authorisation** – Customer provides consent at bank.
4. **Payment status confirmed** – Bank informs Third Party the payment is being processed
5. **Payment made** – Payment is made to beneficiary using the existing electronic payment system.

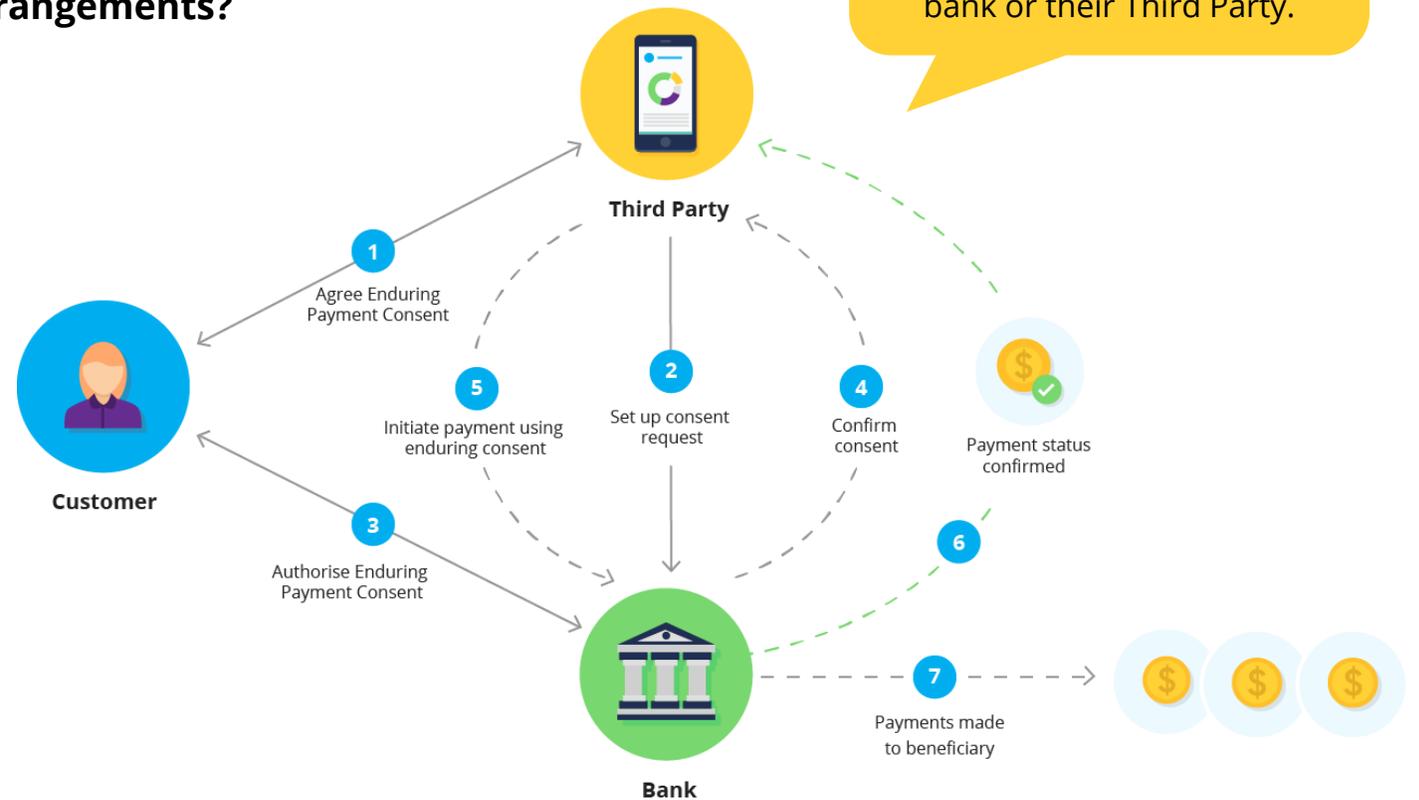


Enduring Payment Consent

How can customers set up ongoing payment arrangements?

We developed an 'Enduring Payment Consent' API standard where customers can set up ongoing arrangements for a Third Party to make payments from their account within customer defined limits.

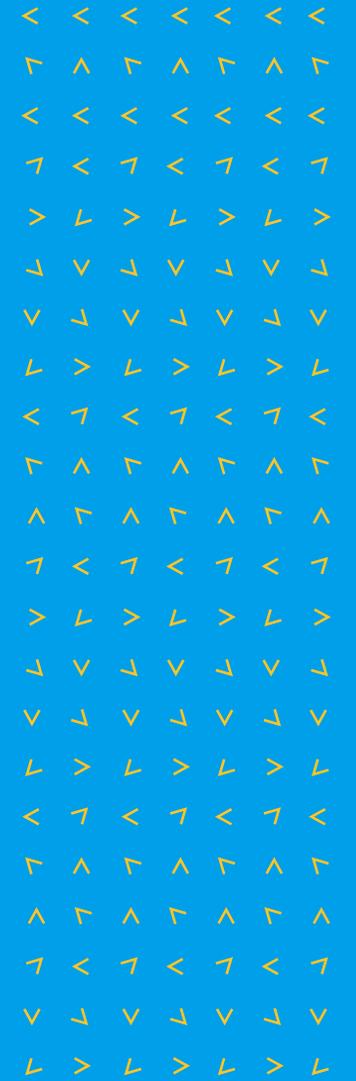
Enduring payment consents support use cases such as: bill payments; subscription payments; reoccurring payments; any scenario that uses direct debits; some online payment gateway scenarios; etc.



The power of open banking and what it means for society



Jamie Leach
Chapter Lead, FDATA A&NZ

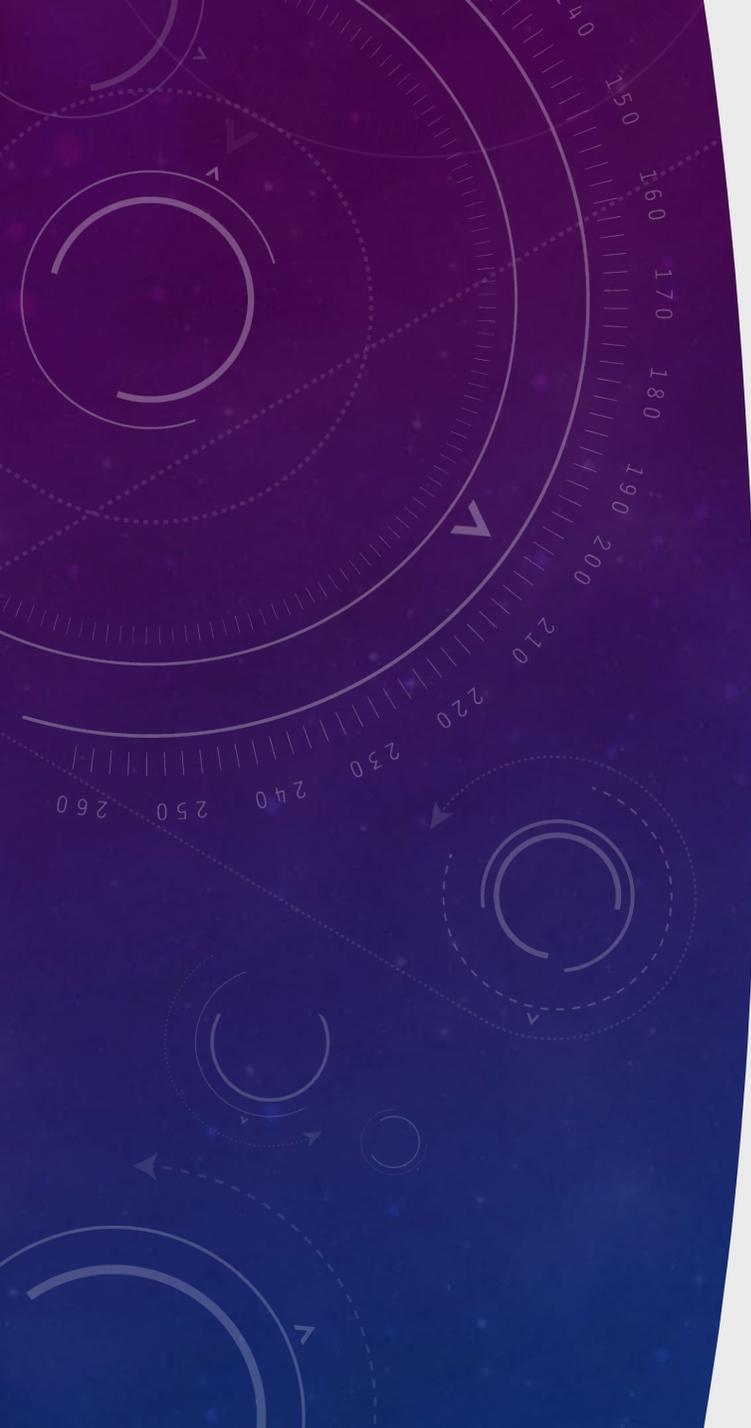




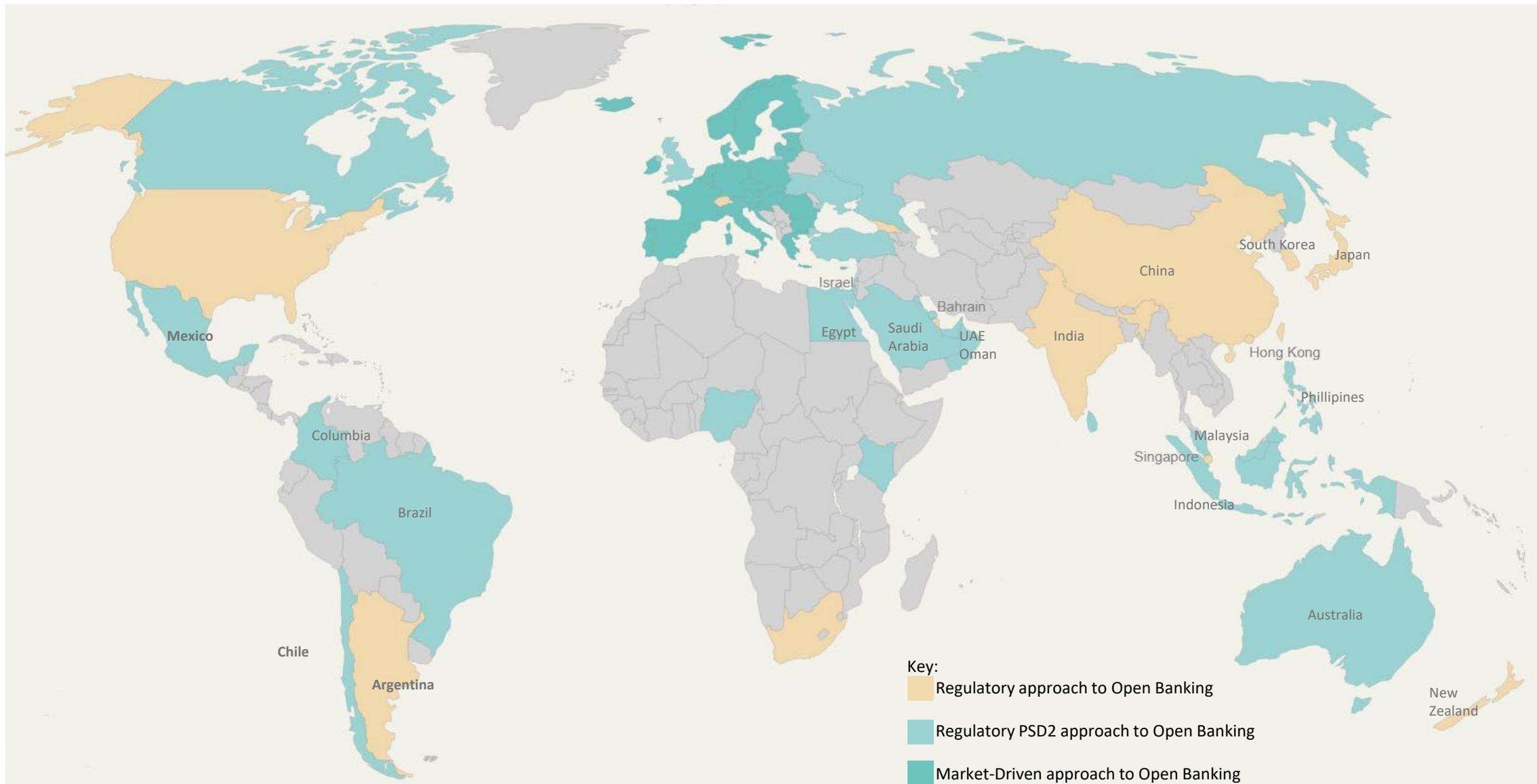
THE POWER OF
OPEN BANKING
- WHAT IT
MEANS FOR
SOCIETY

OPEN BANKING IS THE PRACTICE OF ENABLING SECURE INTEROPERABILITY IN THE BANKING INDUSTRY BY ALLOWING THIRD-PARTY PAYMENT SERVICE AND OTHER FINANCIAL SERVICE PROVIDERS TO ACCESS BANKING TRANSACTIONS AND OTHER DATA FROM BANKS AND FINANCIAL INSTITUTIONS.





OPEN BANKING IS A BANKING PRACTICE THAT PROVIDES THIRD-PARTY FINANCIAL SERVICE PROVIDERS OPEN ACCESS TO CONSUMER BANKING, TRANSACTION, AND OTHER FINANCIAL DATA FROM BANKS AND NON-BANK FINANCIAL INSTITUTIONS THROUGH THE USE OF APPLICATION PROGRAMMING INTERFACES (APIS).



Key:

- Regulatory approach to Open Banking
- Regulatory PSD2 approach to Open Banking
- Market-Driven approach to Open Banking

Open Banking Core



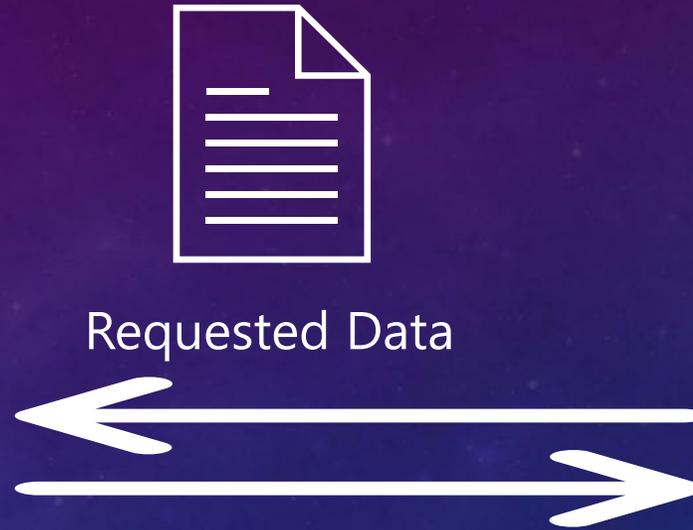
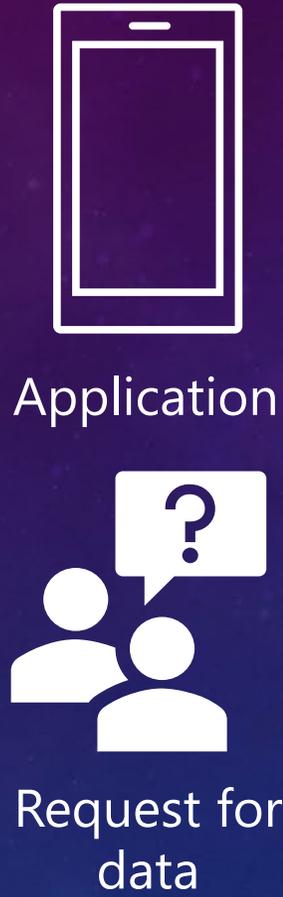
The Four Core
Principles

CUSTOMER

CHOICE

CONNECTIVITY

CONFIDENCE



Answers 1km →

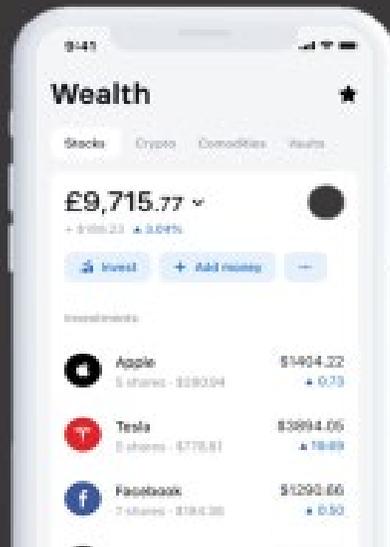
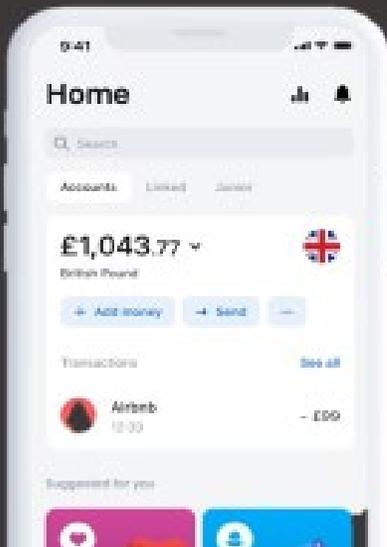


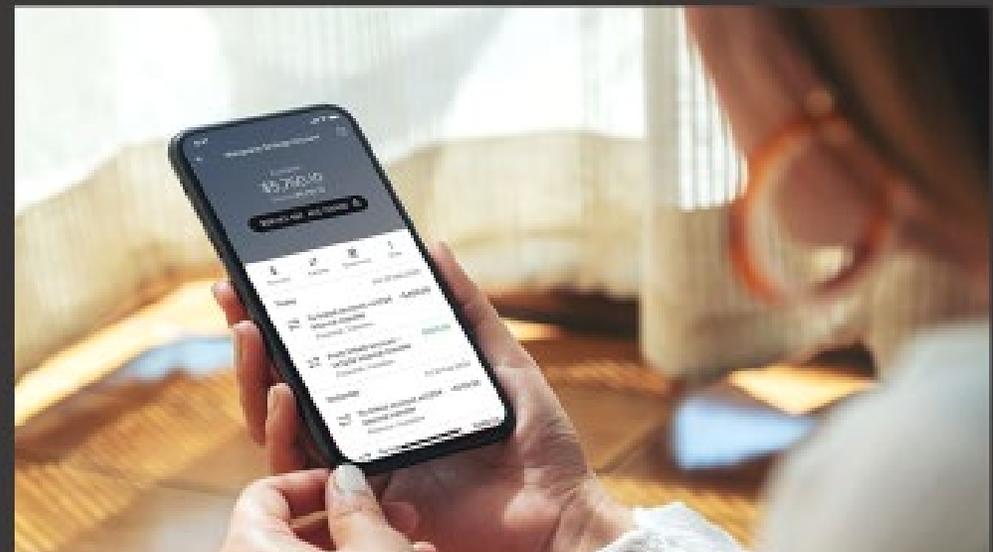
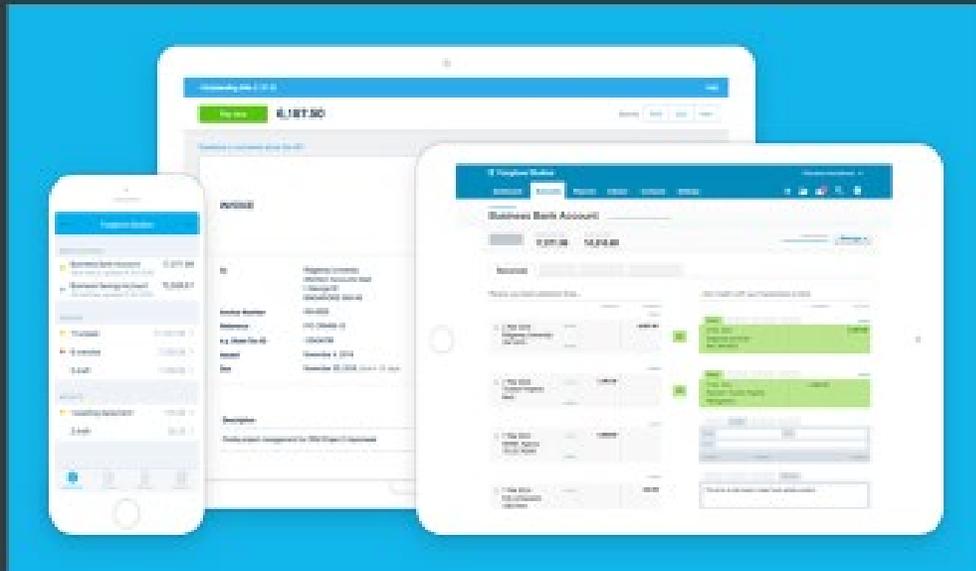




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	Bank of America® Rewards Mastercard® Low Rate	Bank of America® Rewards Mastercard® No Annual Fee	Bank of America® Rewards Mastercard® Rewards Premier Flyer	Bank of America® Rewards Mastercard® Rewards
What do you get?	Bank of America's lowest ongoing Mastercard purchase rate	No annual fee	earn up to 4.75% Bonus Points for every \$1 you spend on eligible purchases	earn up to 4 reward points for every \$1 you spend
Introductory Balance Transfer rate	0% p.a. for 18 months	0.00% p.a. for 18 months	0.00% p.a. for 18 months	0.00% p.a. for 18 months
Ongoing Balance Transfer rate and purchase rate	17.99% p.a.	17.99% p.a.	17.99% p.a.	17.99% p.a.
Interest free period	up to 55 days	up to 55 days	up to 55 days	up to 55 days
Annual fee	None \$00 Intro Offer \$00 Intro Premium \$00	None \$00 Intro Offer \$00 Intro Premium \$00	\$600 \$100 Intro Offer \$000 Intro Premium \$100	None \$00 Intro Offer \$100 Intro Premium \$100
Open an account	17.99% p.a.	17.99% p.a.	17.99% p.a.	17.99% p.a.



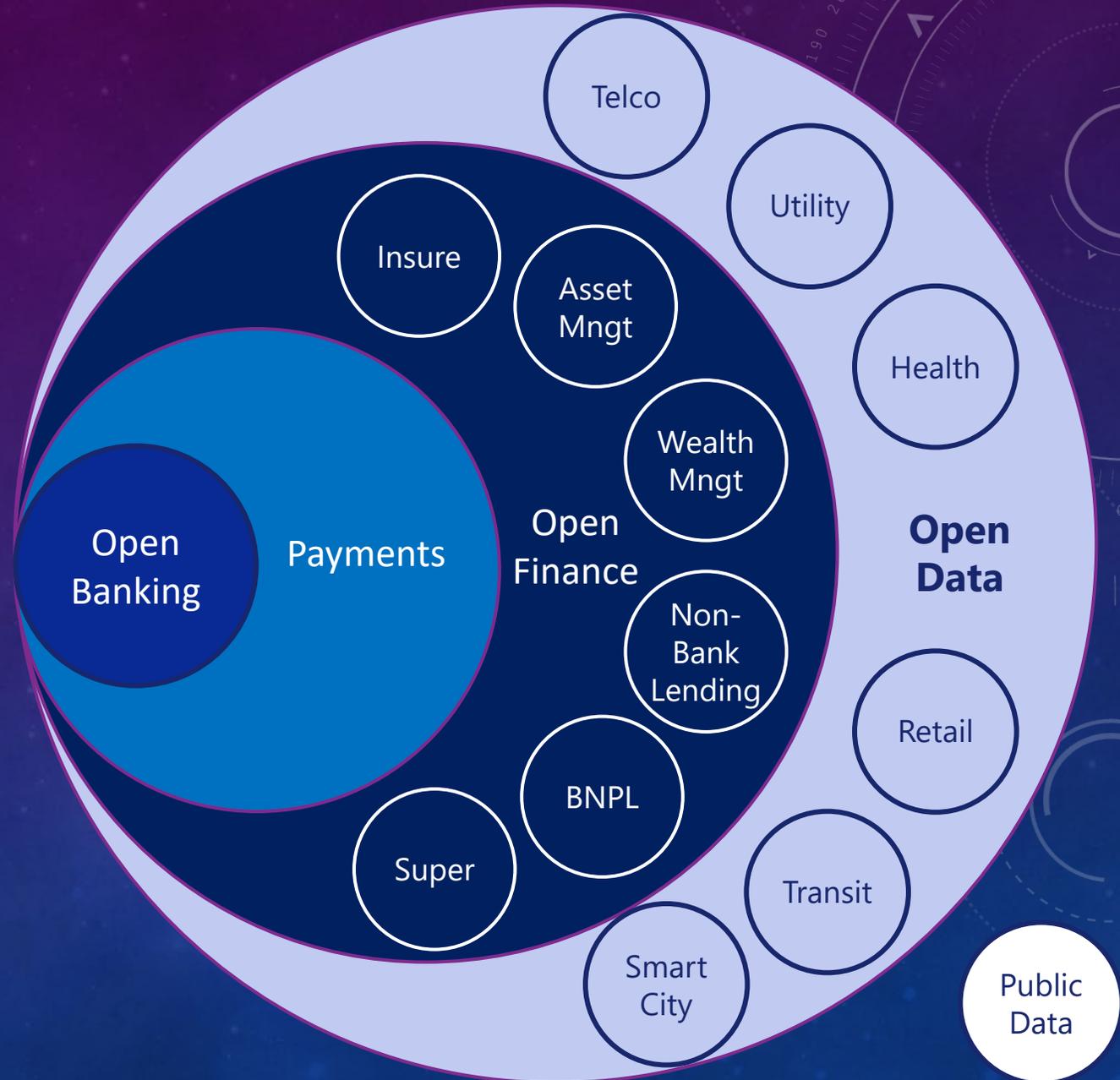


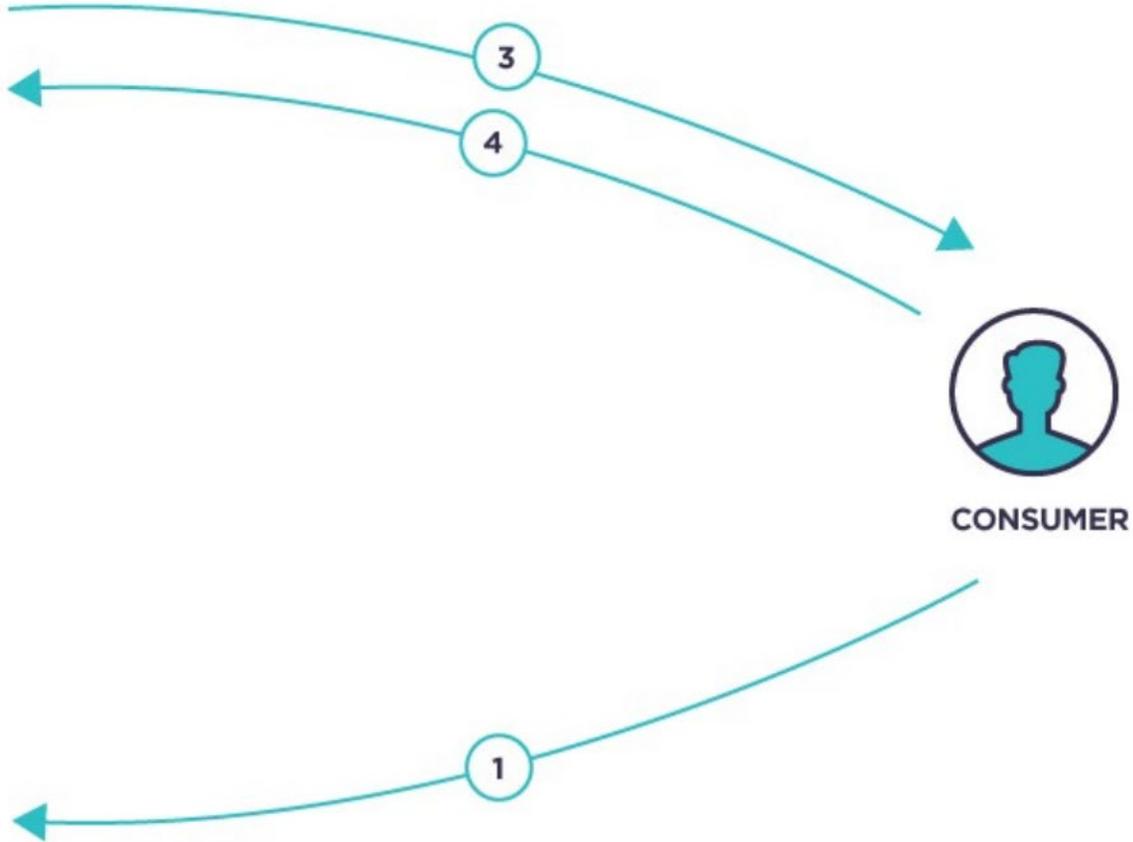
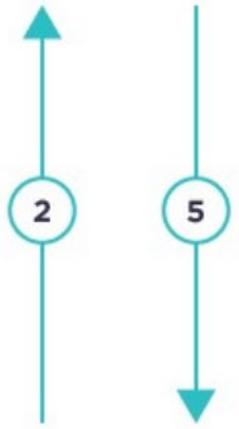
Consumers can now share the data they have, with the businesses they select, for use as they choose.

The first stage of the CDR – open banking – is already helping australians, but the journey has just begun.

Scott Farrell - KWM

Open banking follows an evolutionary path and will become an unstoppable force











BUT WHAT HAS
OPEN BANKING
GOT TO DO WITH
SENDING YOUR
CHILD TO SCHOOL?



WE LIVE IN A DIGITAL WORLD,
WITH DATA BEING SHARED IN
REAL-TIME VIA API'S.

OPEN BANKING IS JUST THE START
OF CONSUMERS LEVERAGING
THEIR DATA TO CREATE ENHANCED
CUSTOMER EXPERIENCES.

THEY DON'T NEED TO KNOW
HOW IT WORKS THEY JUST
NEED TO TRUST THAT IT WILL.





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Thank you for your time

You can contact the API Centre team at
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thepoint2022

PAYMENTS INDUSTRY CONFERENCE

9-10 November 2022

Registrations opening soon!