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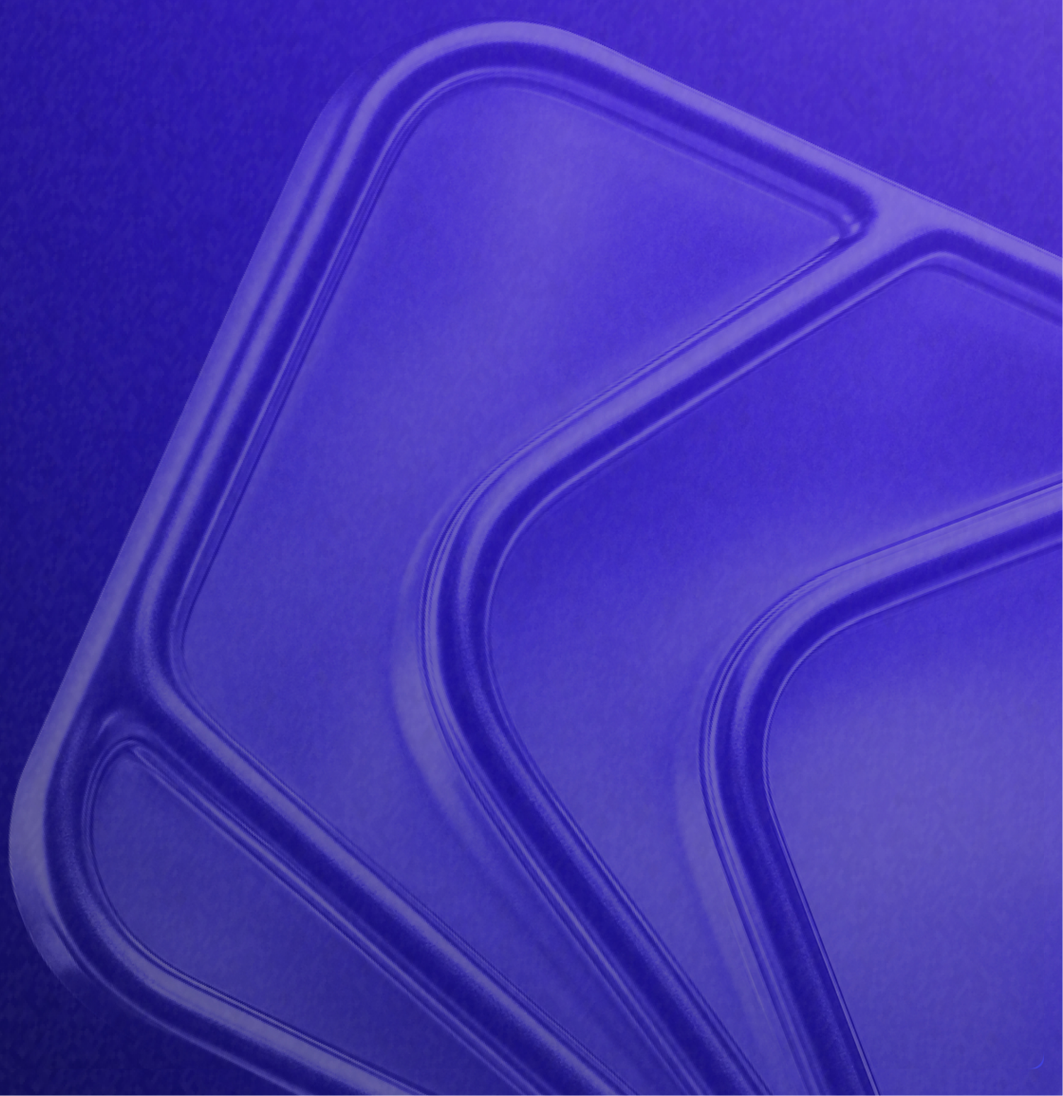
OPEN BANKING 101

A Guide for Crypto Businesses



FORWORD

Open Banking is reshaping the way people and businesses interact with financial services. What started as a regulatory push for transparency and competition has quickly evolved into a global movement driving innovation, new business models, and customer-first experiences.

By enabling secure access to financial data through APIs, Open Banking empowers consumers with greater control over their money while giving businesses the tools to build faster, smarter, and more personalized services.

This guide is designed to help crypto businesses understand why Open Banking matters now more than ever.

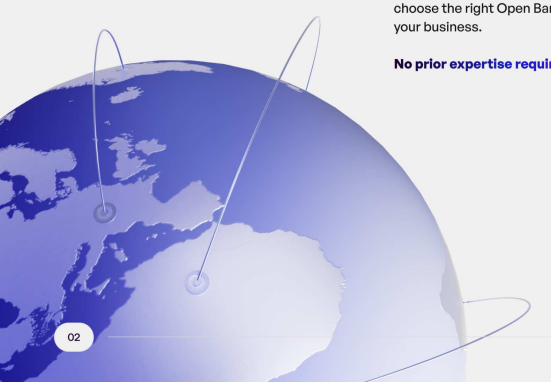
As the lines between traditional finance and digital assets continue to blur, Open Banking offers the infrastructure to bridge worlds — enabling instant bank payments, seamless fiat on- and off-ramps, and a more transparent financial ecosystem. For exchanges, wallets, and payment providers, it unlocks the ability to reduce costs, fight fraud, and deliver faster, frictionless customer experiences.

By demystifying the fundamentals and showing how Open Banking directly powers growth in crypto, this guide aims to equip you with the clarity and confidence to seize new opportunities in a rapidly evolving market.

WHO THIS GUIDE IS FOR

Whether you're running an exchange, building a crypto wallet, or managing treasure operations, this guide will break down the core concepts and real-world applications of Open Banking. It will also equip you with the knowledge you need to choose the right Open Banking partner for your business.

No prior expertise required.



FORWORD

Uncover the Fundamentals of Open Banking:

Learn how it works, how it evolved over time, and why it matters for your business.

Stay Ahead of the Curve:

Understand the opportunities that lie ahead in this rapidly evolving landscape and how to tun it into a competitive advantage.

Become an Open Banking Expert:

Equip yourself with the knowledge and tools you need to succeed in the future of finance.

Gain Strategic Insights:

Get actionable advice on how to build, launch, and scale your Open Banking solution with the right partner.

CONTENTS

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WHAT IS OPEN BANKING?

WHAT IS OPEN BANKING?

open

/ˈəʊp(ə)n/ • adjective

allowing access or passage to, or a view through; not closed or blocked

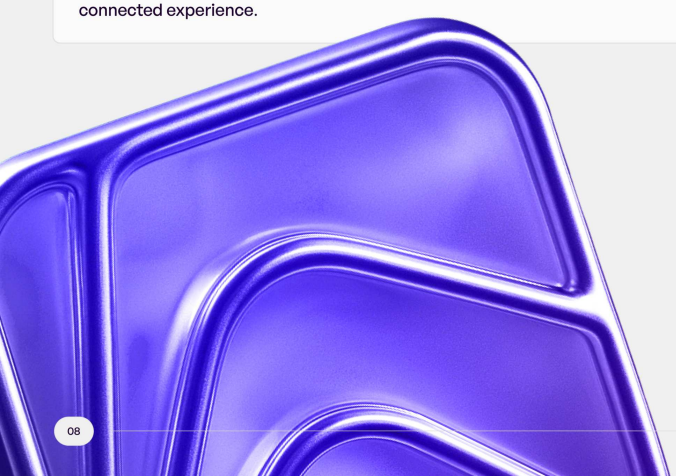
WHAT IS OPEN BANKING?

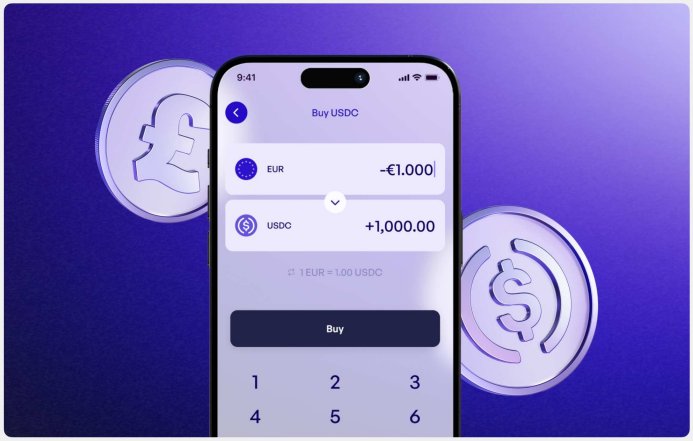
Open Banking is a financial services model that enables third-party providers to access consumer banking data securely through standardized application programming interfaces (APIs).

By opening up data that was once siloed within banks, Open Banking transforms how financial information is shared and accessed, driving greater transparency, competition, and innovation across the industry.

For businesses, Open Banking unlocks **real-time access to customer account insights**, enabling instant payments, streamlined account management, and reduced fraud risk. Exchanges, wallets, and payment providers can embed Open Banking to **deliver frictionless deposits and withdrawals, smoother user onboarding, and entirely new revenue opportunities** across both fiat and digital assets.

For consumers, Open Banking **removes friction from everyday finance**. Instead of being locked into slow, fragmented banking experiences, they gain real-time control over their accounts and access to seamless digital services. From verifying identity instantly, to funding a crypto exchange account in seconds, to receiving tailored financial insights, **Open Banking turns banking into a faster, safer, and more connected experience**.





With regulatory initiatives such as the EU's Payment Services Directive (PSD3) and similar frameworks emerging globally, Open Banking is quickly becoming a cornerstone of modern finance.

It sets the foundation for a more secure, efficient, and customer-centric financial ecosystems — bridging the gap between traditional banking, fintech, and the next generation of digital services.

THE HISTORY OF OPEN BANKING

1998

Long before APIs and FinTech, banks were already experimenting with digital money management.

→ Germany launches HBCI, a secure open standard for electronic banking, laying the foundation for interoperable banking systems.

HBCI

Introducing the widely used PIN + TAN method.

2002

→ Users log in with a PIN and approve each transaction with a one-time TAN, laying the groundwork for secure two-factor authentication.

PIN + TAN

2004

Introduction of SOFORT

→ SOFORT is Germany's first real-time bank-to-bank payment solution. It lets customers pay merchants directly from their bank account - no card needed.

SOFORT

2007

Launch of PSD1

→ The EU passes PSD1, allowing non-banks to process payments. This sparks a wave of FinTech growth across the continent.

2015

Launch of PSD2

→ This landmark regulation mandated that banks open up their customer data to third-party providers , effectively launching the Open Banking era in Europe.

PSD1 PSD2

2025

SEPA Instant Payments Regulation

→ EU law requires all euro-area banks to offer instant credit transfers at no extra cost.

→ This makes Open Banking payments truly competitive by enabling real-time, low-cost account-to-account (A2A) payments across Europe.

SEPA INSTANT

OPEN BANKING IN NUMBERS

The rise of open banking has been remarkable, and the numbers prove it:

2,800%
Explosive Growth
Global payment transactions facilitated by Open Banking will hit $116 billion by next year, having increased by 2,800% since 2021.

70
Regions
70 regions across the world are rolling out open banking infrastructure, with countries like Poland, Finland, and the Netherlands leading adoption.

85%
Business Adoption
Global payment transactions facilitated by Open Banking will hit $116 billion by next year, having increased by 2,800% since 2021.

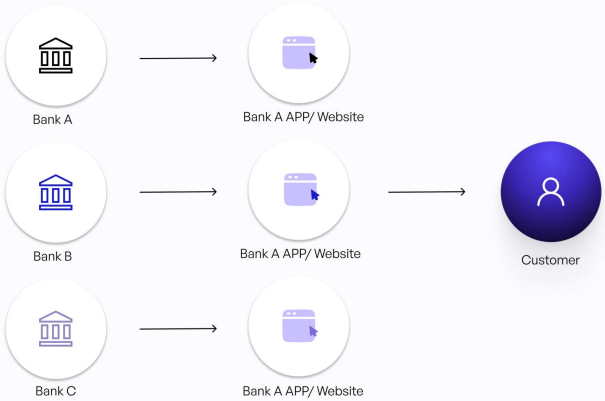
These figures show that open banking is more than just a passing trend — it's reshaping the future of payments.

Sources:
1. Thomson Reuters Legal
2. Forrester
3. The Financial Brand

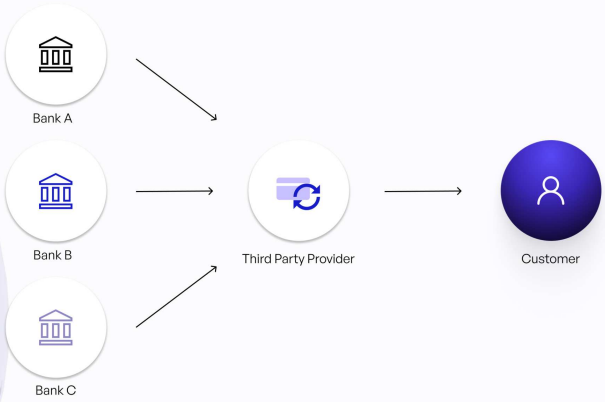
Traditional Banking vs. Open Banking

While traditional banking keeps customers locked into siloed systems, Open Banking connects them directly to a wider ecosystem of services — unlocking speed, transparency, and choice.

Traditional Banking



Open Banking



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HOW OPEN BANKING WORKS

In traditional banking, financial data is locked within individual institutions, making it difficult for outside applications to connect directly with customer accounts.
Open Banking changes this dynamic by introducing standardized data formats and secure communication protocols. This ensures a level playing field where third-party services can integrate seamlessly across multiple banks under a unified set of rules, regulations, and technical standards.

At the core of Open Banking are **APIs (Application Programming Interfaces)**, which serve as secure digital bridges between banks and authorized third-party services. These APIs enable interoperability, allowing financial data to flow safely and efficiently across platforms.

Open Banking APIs typically fall into three key categories:

Data APIs

Provide read-only access to account details, balances, and transaction history. In crypto, these can be used to verify account ownership, streamline KYC checks, or assess transaction history for compliance.

Transaction APIs

Enable payments, transfers, and direct debits directly from a customer's bank account. For crypto platforms, this powers instant fiat on/off ramps, giving users seamless bank-to-wallet or wallet-to-bank transfers without card networks.

Product APIs

Share information about financial products, such as interest rates and terms, often used by marketplaces. Applied to crypto, these can help integrate stablecoin-based products or offer side-by-side comparisons between traditional and digital financial services.

By **breaking down data silos and enabling interoperability, Open Banking allows crypto and traditional finance to converge**. It enables exchanges, wallets, and payment providers to deliver faster onboarding, real-time payments, and more trustworthy compliance processes — while giving consumers the choice and transparency they increasingly demand.

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HOW OPEN BANKING IS USED

HOW OPEN BANKING IS USED

Instant Payments

Open Banking enables instant, account-to-account transfers, reducing the need for costly intermediaries like credit card networks and digital wallets. This streamlined approach helps businesses lower transaction fees and enhance payment efficiency.

Recurring Payments

Open Banking enables automated setup of SEPA Direct Debit mandates, streamlining payment processing by eliminating manual IBAN entry, reducing fraud risk, and minimizing chargebacks. This automation accelerates payment initiation and enhances security, making recurring payments more efficient for businesses and consumers alike.

Instant Payouts

Open Banking enables faster and more secure payouts by facilitating direct account-to-account transfers. This approach reduces reliance on traditional intermediaries, streamlines processing times, and minimizes transaction costs, offering businesses an efficient solution for disbursing funds to customers or partners.

Payment Reconciliation

Open Banking can simplify the payment reconciliation process for businesses by giving third-party applications access to customers' financial information, allowing them to easily match incoming payments with invoices. This reduces administrative burden and reduces the risk of manual errors.

Identify Authentification

Businesses can use Open Banking to authenticate customer identities by verifying their bank credentials. This helps mitigate the risk of identity theft and fraud, especially in online transactions.

Financial Management

Open Banking enables third-party providers to develop applications that support a range of financial management activities, including budgeting, saving, and expense tracking. These services enhance financial transparency and empower individuals to make more informed financial decisions.

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BENEFITS OF OPEN BANKING

BENEFITS OF OPEN BANKING

Open Banking unlocks new possibilities in how money moves and how people connect with financial services, creating value for both businesses and their customers.

HOW OPEN BANKING UNLOCKS VALUE FOR CRYPTO BUSINESSES

Open banking offers crypto companies more than just another payment method — it provides the foundation for a faster, cheaper, and more trusted financial ecosystem.

Lower Fees

Open banking enables businesses to pay less for transactions. For example, account-to-account payments can reduce transaction costs up to 10x by eliminating card schemes. Card providers charge various fees for accepting card payments, which inflates transaction costs. For high-volume crypto businesses, the savings can be substantial.

Higher Conversion Rates

A smoother payment experience means fewer drop-offs and higher conversion rates. With Open Banking, crypto platforms can offer instant deposits, seamless account funding, and faster onboarding — reducing friction at checkout and turning more users into paying customers.

Resilient Infrastructure

Open banking provides businesses with a resilient payments infrastructure by enabling direct, bank-to-bank transactions that reduce dependency on traditional payment networks and enhance system reliability.

Instant Settlement

With the ability for different services to communicate with one another, open banking enables greater opportunities for third-party service providers to expand payment methods, including instant payments. This opportunity is especially helpful in facilitating the cross-border payments many businesses deal with regularly.

Open Banking is more than a new way to move money — it's a foundation for faster growth, stronger customer trust, and more resilient infrastructure. At Ivy, we help businesses tap into these opportunities and turn them into a real competitive advantage.

Get in touch with Ivy and let's build the future of payments together.

SPEAK TO AN EXPERT ›

HOW OPEN BANKING BENEFITS YOUR CUSTOMERS

Open banking doesn't just transform how businesses operate — it directly improves the experience for end users, making finance more seamless, secure, and affordable.

Reduced Service Costs

As competition increases, banks and other financial service providers will likely reduce service costs to become more appealing to consumers. If consumers do not like the service provider's pricing, they can more easily look for an alternative service with a price point they prefer — and their data will move with them.

Better Customer Experience

Open Banking has moved financial services from in-person transactions to digital ones, resulting in quicker and easier financial management. It has made it easier for consumers to manage their accounts, view balances, check credit scores and perform other tasks. Open Banking regulations have encouraged legacy banks to improve online services, resulting in an improved customer experience.

Enhanced Security

Open banking has increased transparency in the banking industry, since more firms are sharing data. Third-party payment service providers are also now required to meet high security standards to operate in the market.

*"Open Banking unlocks a new era of payments where **speed, security, and transparency come standard**. At Ivy, we leverage Open Banking to give businesses direct access to their customers' bank accounts — **eliminating card fees, reducing fraud, and enabling instant settlement across Europe**. It's not just a better way to pay, it's the infrastructure that makes financial services more inclusive, efficient, and customer-centric."*

WILL GINZO
Head of Product

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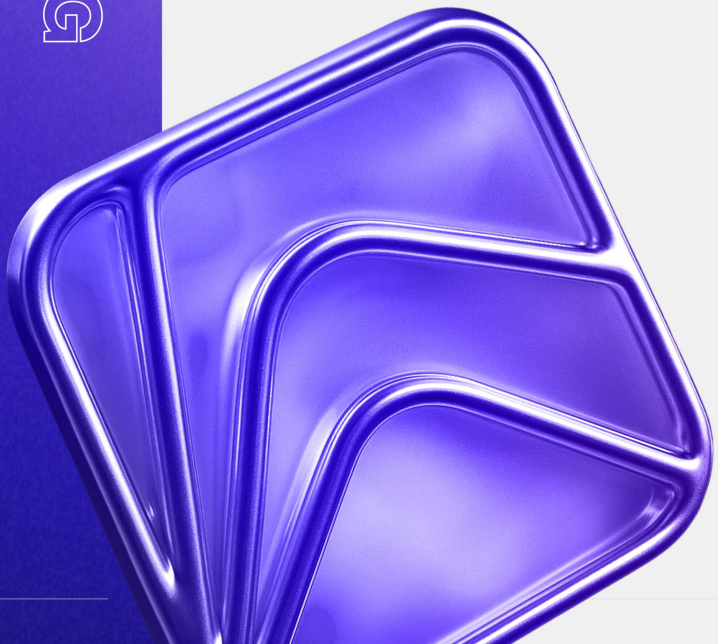
OPEN BANKING WITH IVY

OPEN BANKING WITH IVY

Ivy is a leading financial infrastructure provider for payments and banking, built for the digital economy.
Our platform offers Open Banking, multi-currency accounts, and stablecoin settlement, all through a single API.
Trusted by global leaders including Kraken and OKX, we power real-time money movement, anywhere in the world.



OPEN BANKING WITH IVY POWERING EUROPE'S LEADING CRYPTO BUSINESSES

Ivy represents the next generation of Open Banking providers and is the trusted partner for leading European businesses. Here's why:

Leading Conversion

Ivy Smart Routing Engine drives conversion rates that are 10-20% higher than competitors. This drives greater success rates, more payment volume and boosts top line revenue.

Built-in Redundancy

Ivy's redundant API network ensures seamless payments by smart-routing every transaction through the strongest available bank connection, delivering maximum reliability.

Optimized Adoption

Ivy is a fully customizable white-label solution, seamlessly integrating with your brand, fostering trust, and boosting customer adoption.

GET IN TOUCH TO LEARN MORE

Ferdinand Dabitz
Co-Founder & CEO, Ivy

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The Ivy Advantage

Ivy is more than a payments and banking provider — we are the financial infrastructure partner for the next generation of crypto businesses. By combining performance, resilience, and regulatory expertise, Ivy helps crypto businesses:

Access borderless payment & banking

Simplify global financial operations — receive, hold, send, and convert funds across fiat and stablecoins using one unified API.

Tap into stablecoins

Move funds instantly and securely worldwide, 24/7/365, using stablecoins for seamless cross-border interoperability.

Onboard in days, not months

Onboard your business in days with seamless setup, developer-friendly APIs, and guided support at every step.

"The Ivy team is exceptionally responsive and demonstrates a deep understanding of customer requirements in the open banking space. Their product offers comprehensive coverage across Europe, backed by a highly experienced team. They always go the extra mile to tailor their UI to our feedback, ensuring our needs are met effectively."

Christian Niedermüller
Chief Operating Officer, KuCoin EU

The Trusted Payments & Banking Partner for

kraken OKX KUCOIN mollie ONRAMP GUARDARIAN

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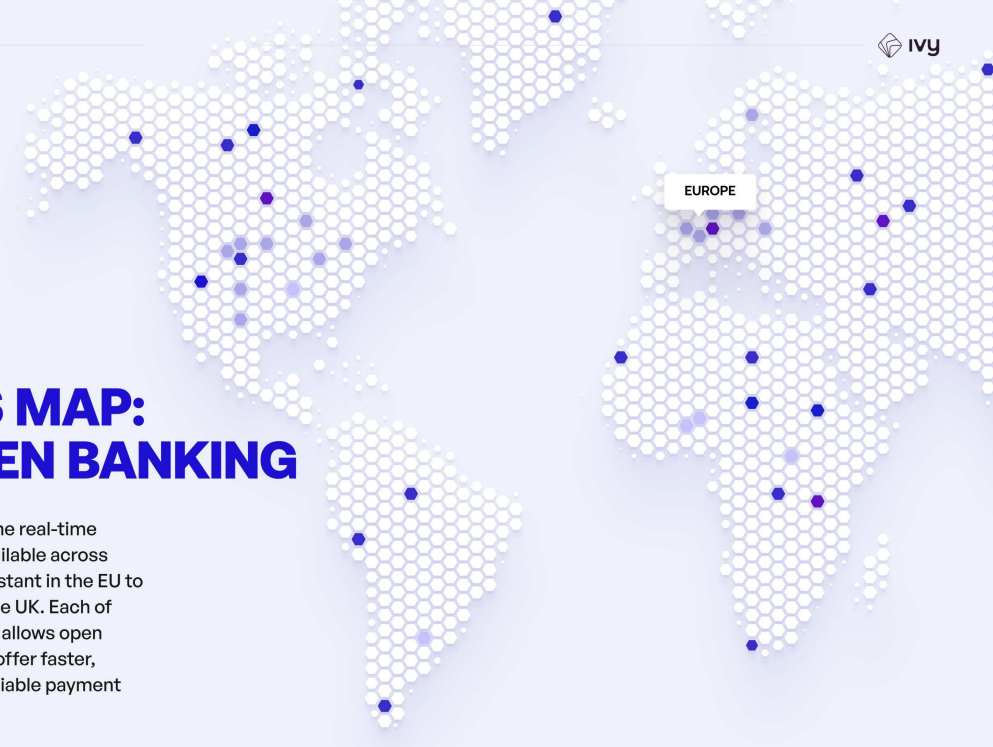
REAL-TIME PAYMENTS MAP: THE RAILS BEHIND OPEN BANKING

Real-time payment networks are the backbone of open banking, enabling instant money movement across borders and between financial institutions. Instead of waiting hours or even days for settlement, customers and businesses can send and receive funds in seconds.

This map highlights the real-time payment systems available across Europe, from SEPA Instant in the EU to Faster Payments in the UK. Each of these infrastructures allows open banking providers to offer faster, cheaper, and more reliable payment experiences.



- **AUSTRIA** | SCT INST
- **AZERBAIJAN** | IPS
- **BELGIUM** | SCT INST
- **BULGARIA** | BORICA INSTANT PAYMENTS; SCT INST
- **CROATIA** | NKS INST; SCT INST
- **CYPRUS** | SCT INST
- **CZECH REPUBLIC** | CERTIS INSTANT PAYMENTS; SCT INST
- **DENMARK** | STRAKSCLEARING; NETS; SCT INST
- **ESTONIA** | SCT INST
- **FINLAND** | SIIRTO; SCT INST
- **FRANCE** | SCT INST
- **GERMANY** | SCT INST
- **GREECE** | IRIS; SCT INST
- **HUNGARY** | AFR; SCT INST
- **ICELAND** | CBI; SCT INST
- **IRELAND** | SCT INST
- **ITALY** | RTP; SCT INST
- **LETVIA** | EKS ZIBMAKSAJUMS; SCT INST
- **LITHUANIA** | CENTROLINK; SCT INST
- **LUXEMBOURG** | BILNET; SCT INST
- **NETHERLANDS** | IDEAL; SCT INST
- **MALTA** | SCT INST
- **NORWAY** | STRAKSBETALINGER; VIPPS; SCT INST
- **POLAND** | EXPRESS ELIXIR; BLUECASH; BLIK; SCT INST
- **PORTUGAL** | SCT INST; MBWAY
- **ROMANIA** | INSTABT; TRANSFOND IP; SCT INST
- **RUSSIA** | FAST PAYMENTS SYSTEM
- **SERBIA** | IPS
- **SLOVAKIA** | SCT INST
- **SLOVENIA** | FLIK; SCT INST
- **SPAIN** | BIZUM; SCT INST
- **SWEDEN** | BIR; SWISH; SCT INST
- **SITZERLAND** | TWINT; SIC
- **TURKEY** | RPS; FAST
- **UNITED KINGDOM** | FASTER PAYMENTS
- **UKRAINE** | ELECTRONIC PAYMENT SYSTEM

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CONCLUSION

The Future of Crypto Payments Runs on Open Banking

Open Banking has moved far beyond regulation — it's now the foundation of a faster, cheaper, and more resilient financial ecosystem. By unlocking access to real-time payments, streamlining compliance, and enabling borderless transactions, it bridges the gap between traditional finance and the world of digital assets.

For crypto businesses, the opportunity is clear: Open Banking delivers instant deposits and withdrawals, lower costs, and a payment experience customers actually trust. It's not just infrastructure — it's a competitive advantage.

CONCLUSION

With Ivy, you can unlock Open Banking to power real-time account-to-account transfers with bank-grade security — cutting costs, removing cards and wallets, and eliminating chargebacks.

Get in touch with us and let's build the future of payments together.

SPEAK TO AN EXPERT ›

FAQS

To help you get the most out of Open Banking, we've compiled answers to the most common questions here.

What are Third Party Providers (TPPs) in Open Banking?

Third Party Providers (TPPs) are authorized organizations that use APIs to access customers' financial information in order to provide a range of services. They typically fall under two categories:

- **Payment Initiation Service Providers (PISPs)**: These are authorized third parties that facilitate payments directly from a customer's bank account to a merchant, without requiring a card or separate account setup.
- **Account Information Service Providers (AISPs)**: These are authorized third-party services that aggregate and provide customers with access to their financial data from multiple accounts, enabling better financial management and insights.

What is a PISP?

PISP means Payment Initiation Service Provider, and refers to a business that has permission to ask for consent from a consumer in order to connect to their bank account and initiate payments or transfers on their behalf.

Is Open Banking Safe?

Yes, open banking is completely safe. Consumers maintain full control over their financial data and must provide explicit consent to access and share it. Additionally, they do not have to share security credentials or rely on anyone to store sensitive information like credit card details. All authentication is securely handled through their banking app, using passwords, PINs, or biometric methods.
Third-Party Open Banking Providers (TPPs) undergo rigorous certification processes to obtain authorization and are required to uphold the highest standards of security and privacy, including compliance with data protection regulations such as GDPR.

How is Open Banking regulated?

In Europe, individuals have the right to access their bank accounts and financial information via licensed and regulated third-party providers, as established by the Revised Payment Services Directive (PSD2).
Under this EU legislation, payment service providers (PSPs) are required to enable customers to securely share their data with approved third parties. Each EU and EEA member state must designate a national authority responsible for overseeing the implementation of PSD2 and ensuring PSPs can participate in open banking.
The European Banking Authority (EBA) acts as the main regulator for PSD2 throughout the EU and EEA, while in the UK, enforcement of PSD2 falls under the Financial Conduct Authority (FCA).

How do Open Banking APIs work?

Open banking Application Programming Interfaces (APIs) enable secure data sharing from your bank account to authorized and regulated third-party providers (TPPs). With your consent, these providers can access specific banking information.
These APIs are required to comply with PSD2 security standards, including safeguards such as Strong Customer Authentication (SCA) to help protect against security risks.

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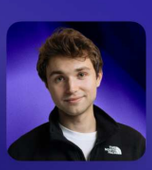

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