

OPEN WHAT?

With the implementation of Open Banking now only a few months away and the deadline of January 2018 looming, we wanted to take a deeper look at current awareness and attitudes to the initiative among business users.

This follows on from online research we carried out with YouGov last year, which showed that 90% of GB adults were unaware of the Open Banking scheme. Some months on, we were interested to find out if it was the same among business owners, or if the business context means they are more aware and open to sharing credit data. To find out, we commissioned YouGov to conduct a further survey on 1,025 senior decision makers within small businesses. The fieldwork took place in June 2017 and revealed some really interesting results.

Businesses have the means

According to our research, 87% of senior decision makers already use online

banking or phone or tablet banking apps to manage their business bank accounts, which means that they'd already be equipped to take advantage of Open Banking.

Roger Vincent, Head of Banking and Innovation at Equifax, comments: "With such a high percentage of Small Businesses already using online banking on a regular basis, awareness and education around the benefits that Open Banking is designed to bring through new products and services is all that is needed to ensure that these people are ready to use the tools to benefit and develop their small business.

"Most importantly, we as an industry need to be extremely clear in setting out the security standards and the fact that access to any data is only available with their explicit consent. It's difficult to see how consumers or businesses will ever grasp the Open Banking initiative without real-world examples of how they can take advantage of it. Naturally the adoption of these services will help to allay any concerns and should encourage Small Businesses to take full advantage of the Open Banking initiative."

Surprisingly, 77% of senior decision makers from small businesses have not heard of the Open Banking initiative and of the minority who have heard of it, only 3% know it is relevant to business banking. Even in the finance and accountancy industry, 63% have not heard of Open Banking, and this needs to change in the final months leading up to market implementation.



77% of businesses have **not heard of the Open Banking initiative** and of those only 3% have both heard of it and know it is relevant for business banking.

Even though awareness is higher amongst senior decision makers in small businesses than among the full population, there is still a significant

majority that do not know about the initiative. However, this doesn't mean that they can't see the potential positives of the scheme.

Respondents of the business survey agreed with the value of Open Banking and said they would find the following tools important:



44% want the ability to better monitor their spending or debt and **see accounts all in one place.**

36% to have the ability to **access lenders offering better terms** for financial products.

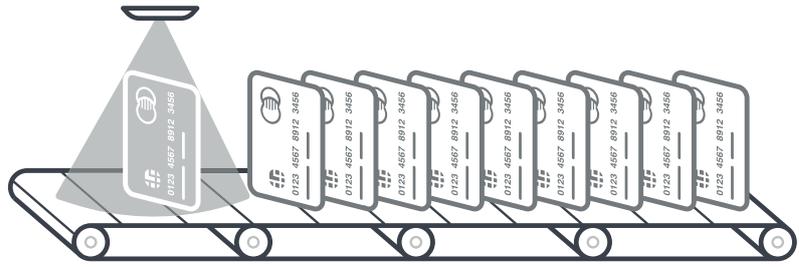


43% to have the ability to **compare current account offerings** from different banks.



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55% want to be able to monitor their bank accounts better to help protect against fraud.

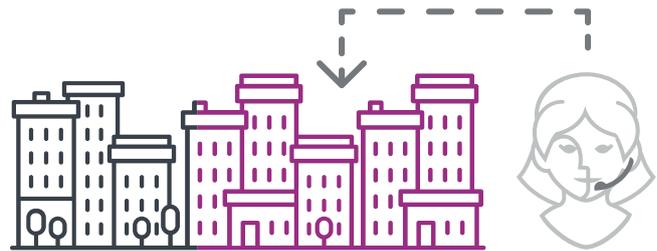


Also worth noting is that over a quarter (26%) of senior decision makers from small businesses state that high fees or charges are an issue with their current business bank and/or building

society. This is something that could be addressed with Open Banking as it is set to give more transparency and make the process of switching banks a lot easier.

The following were given as the concerns about data being shared with the Open Banking initiative:

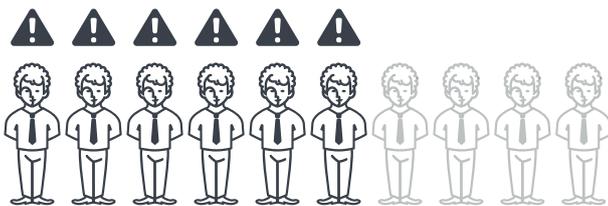
63% thought it may result in third parties contacting them or their business.



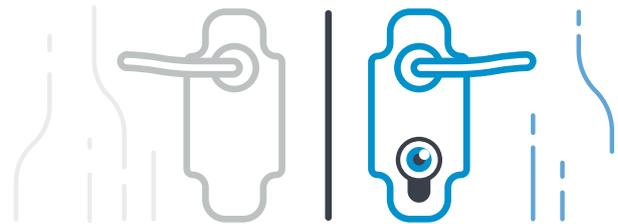
61% were concerned confidential business information may be exposed.



61% didn't think it would be secure.



45% felt it would be an invasion of privacy.



Nic Beishon, Head of Commercial at Equifax, explains: "Traditionally, when business owners have needed to share financial information, for example, in order to access or maintain certain facilities such as loans and overdrafts, this has typically involved lots of paperwork or potentially insecure exchanges of email attachments. What Open Banking will do is enable businesses to do this in a much more straightforward and secure way. It should open up opportunities for

businesses to access finance from a wider range of lenders, as well as other products and services, in a way that remains under their control, through the granting of explicit consent. At Equifax, we welcome the Open Banking initiative and all of the benefits it can bring to both consumers and businesses."

October 2016. The figures have been weighted and are representative of all GB adults (aged 18+). For the business research, total sample size was 1025 senior decision makers in businesses with less than 50 employees. Fieldwork was undertaken between 12th - 20th June 2017. The figures have been weighted and are representative of British business size.

All figures, unless otherwise stated, are from YouGov Plc. Both surveys were carried out online. For the GB research, total sample size was 2006 adults. Fieldwork was undertaken between 14th - 17th

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