



Open letter regarding open banking progress and expectations

Akahu response

10 September 2025

Thank you for the commentary on progress with open banking, and the updated expectations for relevant stakeholders.

We think that your letter has captured the market dynamics well, and strikes appropriate balances when encouraging progress with the open banking ecosystem.

Our specific comments are below.

Transitioning to official open banking APIs

We support the descriptions and expectations on transitioning from suboptimal methods to official open banking APIs. In particular:

- We agree that APIs that are conformant with version 2.3 of the API Centre standards would enable most existing use cases to transition to official open banking APIs.
- We agree that use cases that are currently facilitated by suboptimal connectivity methods should be prioritised in standards development.
- We support an industry-wide sunset date at some point during 2028.
- We agree that consumers should be able to differentiate between different connectivity methods, and that it's relatively simple to communicate these differences.

High quality APIs are a prerequisite for strong consumer uptake

High quality functional and non-functional standards

As shown by pioneering products like Xero, consumer uptake of open banking is entirely driven by compelling products that convince consumers that there is sufficient value in granting the third party with access to their bank accounts.

These products require high quality bank APIs in order to be compelling.

Unregulated open banking methods have been successful in facilitating high consumer uptake around the world because they interface with the same APIs that power a bank's web or mobile app. So the data quality and payment capabilities are exactly the same as the consumer experiences in the bank's own channels. This has enabled third parties to deliver compelling products and drive consumer uptake, despite the discomfort that consumers experience when being asked to enter bank login credentials into a third party screen to enable the connection.

High quality bank APIs are a prerequisite to high quality third party products, which are the driver of consumer uptake.

We agree with comments in your letter that the current non-functional standards are insufficient to enable commercially viable API-enabled products. We recently provided [submissions](#) on this point in response to MBIE's consultation on the draft regulations (pages 12 and 13).

We also agree that the functional standards need to become more advanced in order to transition some of the existing market activity. Key examples of functional improvements are included in the submissions referred to above.

Enforcement of high quality standards

In addition to high quality standards, we think it's critical that the standards are enforced. Without enforcement, non-compliance will linger. For example:

- **Support for business accounts:** Each version of the API Centre implementation plan has required support for business accounts. Business account connectivity is critical for many use cases, including accounting and tax solutions, payroll services, bank account verification, tax payments, and a broad range of SaaS products. However none of the banks currently provide adequate coverage of business accounts. This means that important use cases are currently unable to transition to the official open banking APIs.
- **Data quality:** To date, the data available from official open banking APIs has been lower quality than the data available in a bank's electronic facilities. Sometimes this is due to deficiencies in the standards, but often it's due to differing interpretations or a bank choosing to not provide optional fields, even if they are relevant to the scope of the consumer's consent. For example the transaction data available from official open banking APIs can often lack the transaction details that are available via electronic facilities, making the data unusable for use cases such as accounting and tax solutions, personal financial management services, and credit applications.
- **Authentication options:** The API Centre standards define multiple methods for a consumer to authenticate with their bank during an open banking connection flow. The intent was to provide a range of options so that consumers can successfully complete the connection flow using the device they're using and a familiar login flow. However one bank has not implemented all of the mandatory authentication options. Further, two banks currently require a consumer to log in to the mobile app of the bank as part of any authentication flow, which constrains the potential pool of consumers that can use open banking in a seamless way.

Non-conformance decreases the quality of open banking APIs, which decreases the quality of third party products, which decreases consumer uptake.

We think that enforcement is the only way to ensure high quality bank APIs, that will in turn enable high quality third party products and drive high consumer uptake.

Participation from smaller banks

We agree that smaller banks should support open banking connectivity for their customers.

We support the proposed date of 2027 for smaller banks to find a way to participate.

Access to the confirmation of payee system

We agree that the confirmation of payee (CoP) system should be a utility, and available to relevant entities.

With open banking specifically:

- To our knowledge, CoP results are not being shown by any banks during payment consent flows. This means that open banking payments do not get the same level of consumer protection as payments that are initiated in a bank's own channels. This makes it harder for open banking payments to compete against alternative payment methods.
- Third parties should be able to access the CoP system and show a result to the consumer before initiating the consent flow. This is particularly important for enduring payment consents, where there may be multiple payees, making it difficult for banks to display multiple CoP results in their interfaces.

Beyond open banking, CoP needs to be accessible to non-bank payment service providers, direct debit initiators, supplier onboarding systems, and organisations that pay out to users.

We think there are two viable options for non-banks to access CoP:

- **Accreditation to access the underlying CoP APIs:** Like in the UK, any entity could apply to become accredited to access the underlying CoP APIs from the banks (and from other entities that issue unique BECS-identifiable account numbers to their customers). The accredited entity would be able to access those underlying CoP APIs, and could then compete on an even playing field with GetVerified and any other CoP service providers.
- **Free or negligible pricing:** Any entity with a relevant use case can access the CoP service from GetVerified for free or a negligible fee. If that was the case, then the current monopoly might not be material if GetVerified's service quality is adequate.