

Bringing Transparency to the Open Banking Ecosystem

The [Market Data Initiative \(MDI\) platform](#) launched today, springboarded by John Heaton-Armstrong Open Banking & PSD2 Consultant, and supported by [Credit Kudos](#), [Account Technologies](#) and [SafetyNet Credit](#) leveraging on [Yapily](#)'s technology. The MDI is a service that collects and publishes information on the performance and availability of API platforms proffered by Payment Service Providers in response to the Second Payment Services Directive (PSD2), by consuming the resources as a Third Party Provider (TPP) application using long lived consents.

The MDI was established out of recognition of the need for transparency across the Open Banking ecosystem. For fintechs to rely on APIs for commercial use, it is in the interest of the all that participants are fully informed and have access to granular information on how platforms are functioning. CEO, John Heaton-Armstrong stated, "the purpose of establishing the Market Data Initiative was to enable current and potential third-party providers to consume independently generated metrics on the performance and availability of the API platforms ASPSPs in the UK have had to build in response to the CMA Order and PSD2. It is for anyone working in this space to have a clear view of the platforms they are going to integrate with. It provides ASPSPs with an opportunity to highlight the quality of their platforms to market, and to build out more granular and dynamic developer portals than have been seen to date."

The MDI interface displays detailed information on the performance of each API resource on a per ASPSP brand basis. The coverage is currently of the complete range of Account Information/AIS (PSD2 - XS2A) APIs, with an expectation of extension to Payment Initiation resources over the course of 2019. The MDI has leveraged relationships with partner organisations' staff, ASPSPs and supporters across the market to establish long lived consents which are used to power the service.



Financial APIs Monitoring

Last updated

| Filter | 3 Mar | 4 Mar | 5 Mar | 6 Mar | 7 Mar | 8 Mar | 9 Mar | Now |
|--|-----------|----------|-----------|------------|-----------|-----------|-----------|---|
|  AIB Account and Transaction v1.1.0 | 88.9% | 88.9% | 88.9% | 88.9% | 99.7% | 99.9% | 100% |  |
| | 9.48 MB/s | 9.7 MB/s | 7.81 MB/s | 10.07 MB/s | 2.53 MB/s | 1.93 MB/s | 2.07 MB/s | |

Figure 1: The Market Data Initiative Interface

To enable effective cross-market comparison, the monitoring bots standardise requests, responses and analysis, so that differences and similarities in ASPSP platform behaviour can be effectively assessed. The service does not apply benchmarks or targets to the data the service generates, recognising that this is the preserve of the regulations, and that demand will be the most effective driver of platform improvement.

The MDI goes further than the regulation in one respect - whereas the RTS categorises availability on the ability of a service to respond, the monitoring bots analyse a response to determine whether the platform has responded correctly. This analysis is based on a number of criteria - adherence to API specification and data correctness being the principle areas of focus. If a service does not respond correctly - for example a data element is missing - rather than simply relying on the response code, the monitoring bot will determine this as being unavailable, the key determinant of availability being the ability of a third party service to consume an API in the manner expected. This capability provides ASPSPs with a unique insight into the functioning of their platform from the perspective of third party subscribers.

Stefano Vaccino, CEO and Founder of Yapily said “We developed advanced monitoring capabilities to help our clients be always aware of what’s happening with the banks they are connected to and proactively manage unexpected situations. Banks are already using us for regulatory reporting and internal surveillance, while service providers see it as fundamental tool to manage their API connectivity. We are happy to leverage it to support the MDI in their mission to improve transparency in the open banking space and support ecosystem growth. This effort is

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a further demonstration that, through collaboration, among market participants we can make open banking a global success”.

Matt Schofield, CTO and Co-founder of Credit Kudos said, “The open banking ecosystem must be stable in order for those reliant on APIs to operate successfully, making it everyone’s best interest to collaborate to achieve this. As a strong proponent of open banking we’re excited to partner with leaders in the open banking ecosystem in establishing the MDI to bring transparency to all involved, supporting regulators, banks, our clients and other fintechs operating in this space.”

Looking forward, the MDI platform will prove a useful facility for those considering building an Open Banking API-based application. It provides an independent source of information for those considering the effectiveness of the regulatory frameworks which govern this space, and will give an indication of the viability of building a service which relies on the open banking APIs. John Heaton-Armstrong commented, “the facility will be the first step in movement towards a mature API market of the sort developed by commercial providers such as PayPal, Twitter, Stripe and other organisations operating at significant scale.” The MDI is committed, as are its partners, to seeing the Open Banking ecosystem develop and believe that transparency is a key driver to achieving this. The data now available at <https://monitoring.marketdatainitiative.com> will interest all participant in this exciting journey.

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