



Start developing your digital ecosystems and unlock real open-banking value

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In brief

- The rationale and motivation behind open banking were to boost competition in the financial markets, challenge the big-bank monopoly and encourage institutions to share relevant data with interested parties for the benefit of all.
- There are essential lessons for banks and credit unions in early adopter markets:
 - Shift to a partnering mindset and be willing to co-create value
 - Don't wait for regulations to make a start on digital transformation
 - Create and manage digital ecosystems for scale
 - Treat open banking as part of a wider digital transformation
 - Create business agility and continuous innovation within operations to seize opportunities
- U.S. banking markets often use black-box aggregators (e.g., Plaid, Finicity, MX) as front-of-house connections. Although this approach creates volume efficiencies for standard retail activities, it disintermediates financial institutions and limits their ability to reach business goals.
- DXC's open-banking services partnership with Caspian One and AWS provides regulatory compliance, data reception and direct ecosystem management out-of-the-box for rapid implementation. It allows clients to focus on innovation and the kind of long-term business transformations we've seen in successful businesses worldwide.



Open banking

In 2018, the UK was the first to implement large-scale open-banking operating frameworks. Since then, driven by regulators and markets, open banking has spread like wildfire across Europe, Asia, the United States and Canada.

The open banking premise was that a consumer owns his or her data and can digitally share it with whoever they like (service providers, other people, etc.). The rationale and motivation behind its introduction were to boost competition in the financial markets, challenge the big-bank monopoly and encourage institutions to share relevant data with interested parties to clear data and security standards for the benefit of all.

In due course, the United States and Canada developed FDX standards and made headway on consumer protection. The number of consumers actively using the FDX API for secure open banking data sharing grew from 2 million in 2019 to 76 million in 2024.

The changes come with practical and foundational benefits:



For institutions: Embedded finance white label services. The cross-selling and up-selling of offerings are driven by insights into a customer's financial portfolio and the ability to align products that optimize their financial health. Also, a reduction in financial fraud and security risk.



For consumers: This means consolidation and access to multiple providers, greater control over the sharing of financial data and financial inclusion for those underserved due to location or circumstance.



For businesses: Greater choice and access to offerings, operational efficiencies and cost reductions, and new revenue opportunities through partnership.

This mandated digital data-sharing phenomenon means that, for example, house buyers can confidently send digital data to their mortgage broker (linking their bank account) for the broker to analyze and provide an immediate loan offer.

Transformation in efficiency brings opportunity (and threats)

Open banking enables new lean partnerships with non-FI entrants, increasing choice and competitive intensity and turning banks into networking organizations.

Growing businesses will be able to rapidly bring financial products and offerings to market and monetize them in ways that were unimaginable when the delivery was vertical and digital footprints were left unanalyzed.

So, what decisions must a bank make to take advantage of transformational opportunities? We can find clues in early-adopter markets.



Learning from early adopters



Spain: BBVA (Assets \$802 billion)

Recognizing that open banking adoption required a mindset shift as much as a compliance change, BBVA pre-empted the regulations, developing its open banking capability as part of a broader digital transformation. This achieved some impressive results:

New revenue streams through API monetization: **30% of new customer acquisitions** are through APIs. BBVA also developed 50+ new revenue-generating API products.

Operational costs: Customer onboarding time **was cut by 93%**

Partner integration time: **Decreased by 75%**

Customer lifetime value: **Increased**

Customer acquisition: **More efficient**

Cornerstone strategies included developing APIs and creating ecosystems to collaborate with fintech partners, co-creating solutions tailored to business and consumer needs. The connection to multiple ecosystems and external knowledge transfer help generate value and unearth new customers.

In January 2025, BBVA also launched its BBVA Market APIs with eight commercial APIs and its own aggregation, planning to roll out to U.S. customers later in the year. It also launched a new digital-only bank in Italy, acquiring 600,000 new customers in 2 years as well as creating an ecosystem to support startups and scale-ups.



Singapore: DBS (Assets \$608 billion)

Singapore-based DBS Bank acknowledged the need to cater to tech-savvy customers by becoming digitally driven. CEO Piyush Gupta challenged colleagues to act like a technology startup and become “invisible”, delighting customers with effortless banking.

“We leveraged digital technologies to be more relevant to our customers and convenient, simple and safe for our staff. We’ve been on this journey for several years and have developed an effective and broad-based set of digital capabilities.” Piyush Gupta, CEO DBS

Part of the transformational groundwork involved creating an API platform with 155 APIs across 20 categories. The platform was designed to scale (it now has 1,000 open APIs), delivering whatever consumers wanted, from innovative apps, to a better user experience and simpler payments.

It focused on three areas — enhancing the customer experience, growing the API platform and integrating partners. The bank has reduced integration time from months to days, achieved \$100M+ in additional API partner revenue and achieved a cost-to-income ratio of 40%.

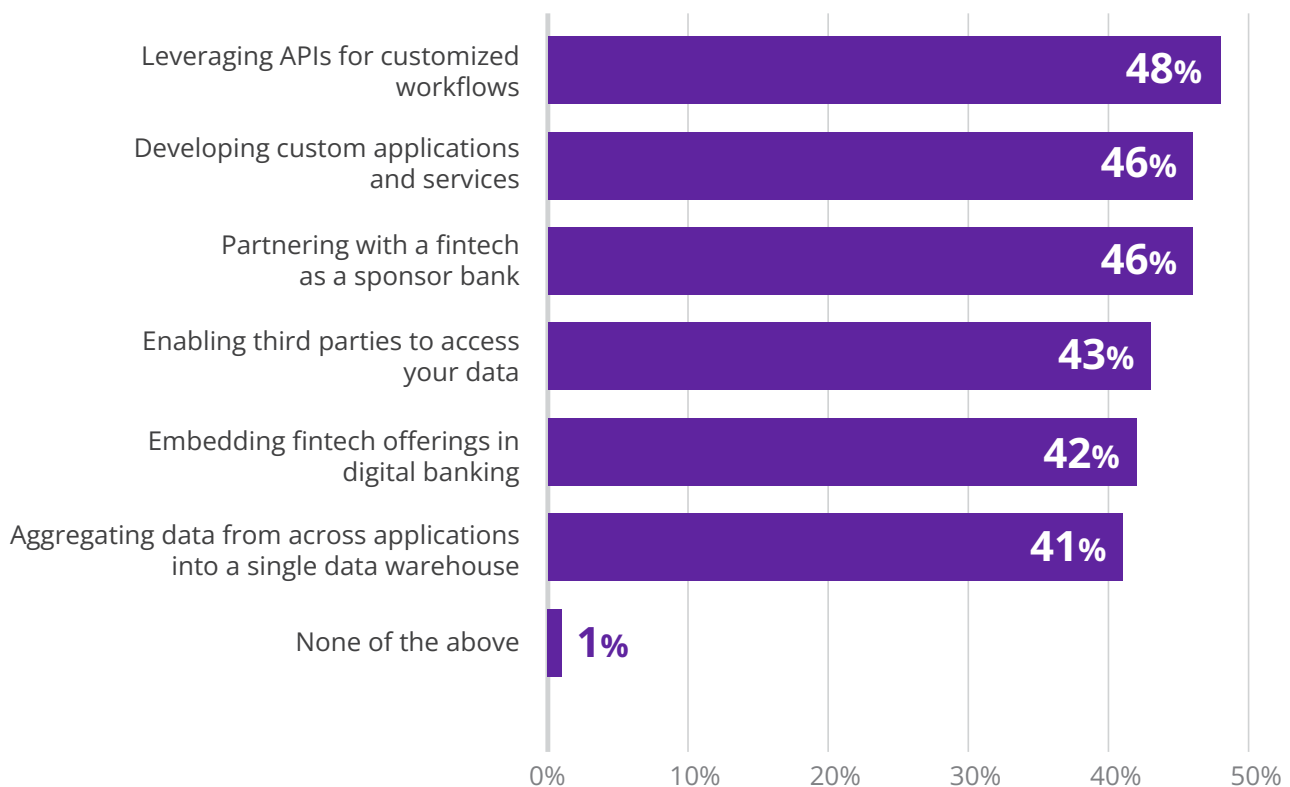
Key takeaways

These banks are significant and have invested heavily in their 5+ year and ongoing transformations. Here are some early-stage takeaways:

- Shift to a partnering mindset and be willing to co-create value
- Don't wait for regulation before beginning digital transformation
- Create and manage digital ecosystems for scale
- Treat open banking as part of a broader digital transformation
- Create business agility and continuous innovation within operations to seize opportunities

U.S. banks are seeking the same benefits

Open application interface programming (API) primary goals for banks in the United States as of 2024



Source: www.statista.com/statistics/1385986/open-api-ecosystem-strategy-among-banks-in-usa/

Black-box aggregation

U.S. banks have often used aggregators (e.g., Plaid, Finicity, MX) as front-of-house connections. This approach creates volume efficiencies for standard retail activities. However, banks and credit unions that use an aggregator (a black box) cannot differentiate themselves from their competitors because they have no control over data sharing. (In the global examples, we saw how differentiation through personalization involves parallel elevations with multiple partners and ecosystems).

Having aggregators as front-of-house limits a bank's or credit union's ability to reach business goals or saddles them with ongoing and costly technical adjustments. That said, aggregation could function as a valuable data service alongside, rather than in front of, your business.

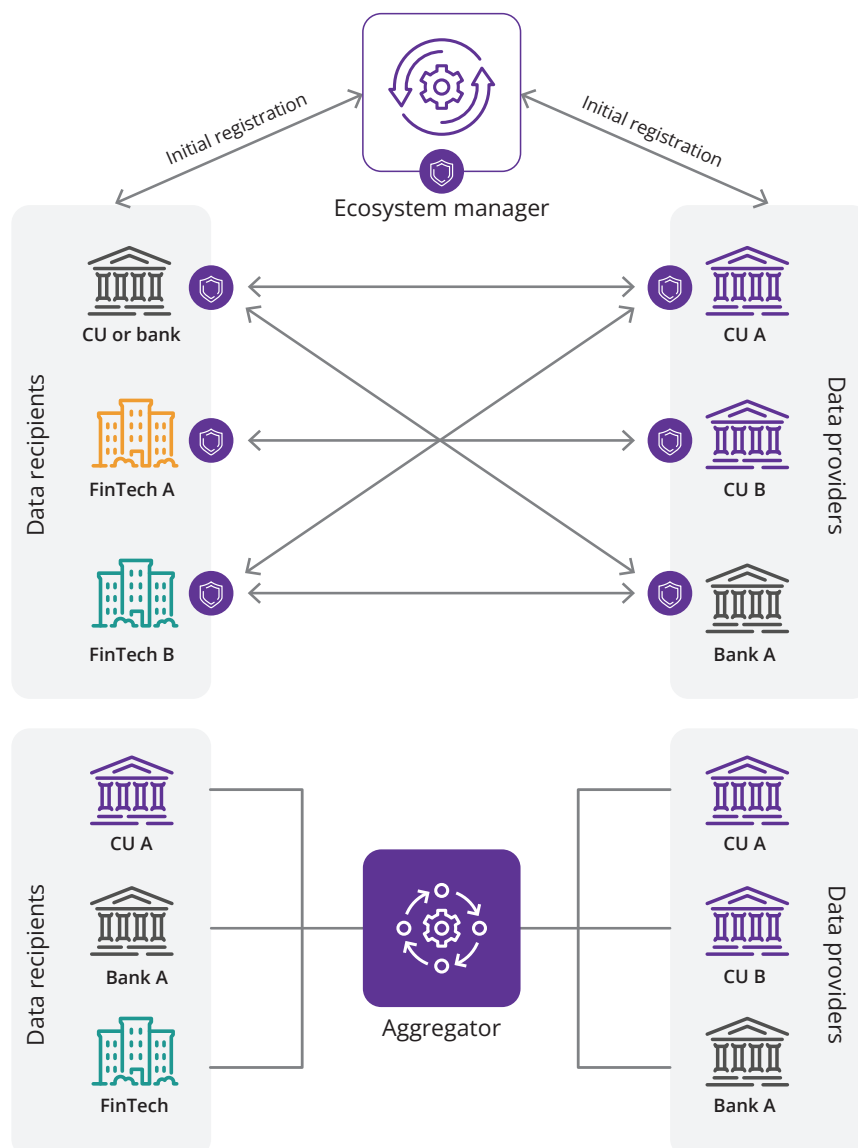
Customizing and differentiating

Banks can enhance security, maintain complete data ownership and drive strategic innovation by implementing point-to-point trusted frameworks over black-box aggregators. Direct API connections enable secure, consent-driven data sharing, reducing compliance risks and eliminating vulnerabilities associated with third-party intermediaries. This ensures banks retain complete control over authentication, authorization and encryption, simplifying regulatory compliance while deepening customer trust.

Beyond this, a trusted framework fosters exclusive partnerships with fintech and corporate clients, allowing banks to co-develop proprietary, value-added services rather than relying on commoditized solutions.

The business agility step-change and scalable fintech integration required to maximize the opportunities should not depend on third-party aggregator technology pipelines.

Managing your trusted ecosystem is central to scaling multiple accredited bilateral partnerships.



This self-service model allows consumers to discover all API offerings within the ecosystem.

It also provides permissions and security credentials to enable them to register and consume your APIs dynamically.

Partnering to deliver value

DXC's Open Banking Solution partnership combines our unique open-banking experience and Caspian's point-to-point solution with AWS' resilience and service quality to deliver scale, security and cost efficiency and new market gateways for clients. In addition, DXC's open-banking labs help clients shape their journey toward lucrative transformation.

Caspian One's enviable reputation has been earned through partnership and close collaboration with financial institutions across Canada, the United States, EMEA and APAC. In 2022, the company built the first open banking offering in Canada with CIBC and Simply Financial (a digital subsidiary). It demonstrated open banking to the Canadian government as a market-led, pre-regulatory example to help influence regulation development. It's now the preferred solution for Canadian credit unions.

Our partnership solution provides regulatory compliance, data reception and direct ecosystem management that is out-of-the-box for rapid implementation, allowing clients to focus on innovation and the long-term business transformations we've seen in successful global business models.



About **the authors**



Duncan Alexander

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Duncan leads several new and existing core banking products and services within DXC's Global Banking Division. He has over 3 decades of experience applying business technology to achieve strategic goals across multiple industries, including banking, insurance, retail, travel and logistics. Duncan has provided strategic advisory services and delivered mission-critical systems as a strategic partner to clients, holding senior positions in several large enterprises. His primary focus is realizing the business benefits of digital transformation.



Lewis Poe

CEO, Caspian One Open Data

Lewis is a leading authority in open banking, bridging technology, business transformation and regulatory compliance. He launched a groundbreaking open banking platform built on FDX standards for Canadian credit unions. This initiative enabled seamless financial data exchange and introduced high-value use cases (e.g., digital identity), setting a new benchmark for financial inclusion and interoperability. Before Caspian One, Lewis held senior roles in top-tier investment banks, managing complex global technology change across front-office roles in capital markets.

To learn more about how DXC, Caspian and partners can help you accelerate your competitiveness and compliance in open banking visit **our website** or contact **by email**

About DXC Technology

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