



Charging Forward: The Economics Behind Open Banking

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Discussion Summary

The substantial promise of open banking in the United States was examined, and its progress was found to be constrained by structural, economic, and operational barriers. Although the industry possesses strong API capabilities and growing consumer demand, open banking continues to function as an unfunded utility, with costly infrastructure, unclear long-term objectives, and pricing models that fail to align incentives across market participants. The conversation highlighted the need for value-based and tiered pricing structures, revenue-sharing arrangements tied to data quality and latency, and governance frameworks capable of assigning responsibility when downstream data issues arise, as current incentives prioritize the movement of data without ensuring accountability or explainability.

Participants noted that entrenched closed-loop systems, fragmented vendor landscapes, and longstanding misalignments among banks, fintech companies, and technology providers continue to impede collaboration and prevent the emergence of a sustainable and equitable open banking ecosystem and further observed that regulatory intervention alone is unlikely to resolve these structural impediments.

Key Takeaways

- The open banking ecosystem lacks a sustainable economic model, as existing incentives promote data movement without ensuring adequate accountability, governance, or quality standards.
- Fragmented vendor systems, entrenched legacy infrastructure, and misaligned incentives between banks, fintech companies, and technology providers remain major barriers despite strong consumer demand and modern API capabilities.
- Industry-driven collaboration, transparent value allocation, and shared standards for data quality and explainability are viewed as essential to creating a durable open banking framework, given that regulation alone is unlikely to resolve the underlying structural challenges.