Open Banking and Inclusive Lending in UK Banks and Building Societies

A Report for the Building Societies Association

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Executive Summary

This report examines what Open Banking means for UK building societies and for inclusive lending. Building societies occupy a distinctive position in the UK financial system. They are more specialised, more mortgage-focused, and more regionally embedded than commercial banks, and these differences matter for how Open Banking is likely to develop across the UK.

The report finds that building societies remain comparatively stable, relationship-based lenders, with business models centred on traditional mortgage lending funded by retail deposits. This gives them an important role in household finance, but also means they have approached Open Banking from a different starting point than large commercial banks, whose incentives to invest in digital infrastructure and data-driven product expansion are often stronger.

A key finding is that Open Banking adoption is highly uneven across institutions. Among major UK banks, API provision varies significantly in both scale and purpose. Some banks have broad Open Banking capabilities, while others stand out for particularly strong credit-related activity. In contrast, building societies show much lower Open Banking API availability overall, and none of them provide credit-related Open Banking products. This suggests that building societies continue to rely more heavily on internal data, established affordability assessments, and relationship-based screening than on fintech-enabled underwriting. That distinction is important because the report also finds that Open Banking and fintech adoption are uneven across regions. Areas where building societies have a stronger branch presence tend to be areas with lower fintech adoption, pointing to a potential mismatch between where Open Banking grows fastest and where many mutual lenders remain strongest.

This finding has important implications for financial inclusion. If Open Banking continues to spread mainly through fintech-led channels, its benefits may be felt less strongly in regions where digital engagement is weaker. In those areas, building societies may play a valuable bridging role in combining trusted local presence with more gradual digital adoption, and helping ensure that innovation supports a broader range of customers rather than only the most digitally active.

The report also shows that the relationship between Open Banking and lending outcomes is not uniform. Evidence suggests that banks' lending patterns differ across regions with different levels of fintech adoption, and that these effects depend on institutional strategy. Open Banking seems to interact with business model and competition rather than producing a single market-wide effect.

Overall, the report points to three conclusions. First, building societies may be slow adopters of Open Banking. However, they serve regions and customer groups where trust, access, and relationship banking still matter. Second, the sector's more limited Open Banking infrastructure may constrain its influence over future digital credit journeys unless this gap is addressed through investment, partnerships, or shared solutions. Third, there is a strong case for policymakers to judge Open Banking not only by technical rollout or user numbers, but also by whether it supports regional inclusion and works for mutual lenders as well as for the largest banks.

1 Introduction

Open Banking has become an increasingly important feature of the UK's financial system. It allows financial data, with the customer's consent, to be securely shared with third-party providers using standardised application programming interfaces (APIs). In the UK, it was introduced following the Competition and Markets Authority's (CMA) 2017 retail banking market investigation and implemented from 2018.

The CMA issued a ruling that required the nine largest UK banks and building societies – Allied Irish Bank Group plc, Bank of Ireland plc, Barclays Bank plc, HSBC Group, Lloyds Banking Group plc, Nationwide Building Society, Danske Bank, NatWest Group plc and Santander plc – to allow access to their data, down to the transaction level. The framework has been designed to enhance competition, stimulate innovation, and improve consumer outcomes in retail financial services. Other institutions adopted Open Banking voluntarily over time, including banks such as Virgin Money, Clydesdale Bank, Yorkshire Bank and Citi Consumer, as well as a limited number of building societies such as Coventry, Yorkshire and Skipton.

Similar initiatives have since been adopted across a number of jurisdictions, including the European Union, Australia, Brazil, and India, reflecting a broader global shift towards data-driven financial ecosystems and increased consumer control over financial data.

At its core, Open Banking shifts control of financial data from institutions to customers. Through explicit consent, individuals and businesses can allow authorised third parties to access account information or initiate payments on their behalf. This has the potential to reshape financial intermediation by reducing information asymmetries, enabling more accurate credit assessment, and facilitating the development of more tailored and accessible financial products.

Despite its rapid regulatory and technological development, Open Banking remains at a relatively early stage, and its implications for lending markets and financial inclusion are still evolving. The emerging academic literature points to both opportunities and trade-offs. Theoretical work suggests that data portability strengthens competition and improves borrower welfare by enabling access to better credit terms (He et al., 2023). At the same time, increased competition may compress bank margins and lead to less efficient credit allocation in some cases (Goldstein et al., 2023). Empirical evidence from the UK indicates that Open Banking has already contributed to increased fintech investment, improved access to credit, enhanced financial literacy, and the formation of new customer-bank relationships (Babina et al., 2025). Importantly, its benefits appear strongest for underserved borrowers, with lower-credit-score individuals experiencing

the largest increases in loan approval probabilities (Nam, 2022). Nevertheless, international evidence suggests that these developments may also be accompanied by adjustments in traditional bank lending, including potential reductions in consumer lending (Fang and Zhu, 2023).

Against this backdrop, the purpose of this report is to provide a comprehensive and evidence-based assessment of how Open Banking is shaping lending patterns and financial inclusion in the UK, with a particular focus on building societies. As mutual, member-owned institutions with a strong focus on mortgage lending and regional engagement, building societies occupy a distinctive position within the UK financial system. While Open Banking has been widely adopted among large UK banks, engagement among building societies remains more limited and uneven. Larger institutions such as Nationwide are active participants, alongside a smaller group of building societies including Coventry, Yorkshire, and Skipton. However, overall the scale and scope of Open Banking activity in the mutual sector remains modest compared to commercial banks. Therefore, understanding how Open Banking interacts with the building society model is critical for assessing its implications for competition, access to finance, and the future structure of retail banking.

To achieve this, the report draws on a rich combination of complementary datasets to deliver this assessment. These include bank-level balance sheet data, detailed product-level information on mortgage and retail banking offerings, geographic branch-level data, fintech adoption indicators, and survey-based measures of financial inclusion. Key sources include FCA Financial Lives Survey, Geolytix branch location data, Platformable Open Banking data, Moneyfacts banking product data and BankFocus database. Together, these data allow for a comprehensive analysis of both supply-side lending behaviour and demand-side outcomes.

The report provides several layers of analysis. First, it documents long-term trends in UK bank lending, comparing commercial banks, building societies, and fintech lenders across different loan categories. Second, it explores geographic variation in building society presence, customer fintech adoption, and financial inclusion. Third, it examines the relationship between Open Banking adoption and lending outcomes, including loan volumes, mortgage provision, credit risk and operational efficiency. Finally, it analyses how Open Banking is associated with changes in product offerings in residential mortgage markets, including pricing and access conditions.

The remainder of the report is structured as follows. Section 2 provides background information on Open Banking, focusing on key terminology and global regimes. Section 3 presents trends in UK lending across different types of institutions. Section 4 provides

regional and demographic insights. Section 5 focuses on Open Banking in the UK, including product offerings, postcode-level lending, and financial inclusion. Section 6 places the UK experience in a global context, and Section 7 concludes with key findings and policy implications.

2 Background of Open Banking

2.1 Terminology

2.1.1 Open Banking vs. Open Finance

Open banking generally refers to the sharing of customers' bank account data with third-party providers through secure APIs, under conditions defined by regulation and with customer consent (Bank for International Settlements, 2019). Key data involved is typically checking and savings account information, transaction histories, balances, and payment capabilities. Open banking initiatives often emerge from banking regulators and competition authorities aiming to spur innovation in payments and personal finance by breaking banks' monopoly on account data. By contrast, open finance extends the data-sharing principle beyond banking into the broader financial sector. This can include customer data from investment accounts, insurance policies, pension funds, credit agencies, utility payments, and more. The rationale is that a more complete picture of an individual's financial life can enable a greater range of services and more inclusive finance. Open finance is thus a more expansive concept, envisaged as the next phase once open banking foundations are in place (World Bank, 2020). For example, while open banking might allow a fintech application to aggregate one's bank accounts, open finance could allow a holistic financial management application to also pull in retirement fund data and insurance coverage.

2.1.2 Data Portability and Customer Consent

Both open banking and open finance are based on data portability, which is the customer's right to move their personal data from one provider to another in a usable format. This right is often underpinned by regulations. These regulations reconceptualise financial data as belonging to the customer rather than the institution, giving customers the power to move their information to new service providers whenever they choose (Briones de Araluze and Cassinello Plaza, 2022). Customers exercise this right by providing informed consent for specific data sharing via an authentication process. Users must typically authorise through their bank (i.e. data holder) for specific data to be shared with a named third-party (i.e. data user) for a defined purpose and consent can be one-time or recurring. Robust consent frameworks are necessary to ensure consumers understand what they are sharing and to prevent abuse, as the transparency and revocability of consent directly affect trust in open banking (International Monetary Fund, 2024). Many jurisdictions impose requirements on TPPs to obtain explicit, granular consent and allow

customers to revoke it easily at any time.

2.1.3 AISP, PISP and AA

Often, two key licensed roles for third-parties are defined in open banking and finance regulations. An Account Information Service Provider (AISP) is a service that can access and aggregate account data. Examples include personal financial management dashboards or credit underwriting services that use bank data. A Payment Initiation Service Provider (PISP) is permitted not just to read data but to initiate payments from a user's account, providing an alternative to card networks or bank transfers. For example, a PISP can enable a customer to pay a company directly from their bank account via API, as an instant account-to-account payment. These concepts were introduced to scope what third-parties may do under open banking. AISPs/PISPs in regulated regimes are required to be authorised and meet security standards, and banks are obligated to connect with them via open APIs (World Bank, 2020). The AISP/PISP framework has been influential in many countries' open banking rules now using similar categories. For example, the UK's Open Banking regulation (stemming from a 2017 Competition and Markets Authority order) required the nine largest banks to develop APIs for third-party account information and payment initiation services, effectively operationalising the AISP/PISP concept in the UK context. A notable variation is India's Account Aggregator (AA) system, launched in 2021 as part of its digital public infrastructure. An AA is a non-bank financial company licensed by the Reserve Bank of India (RBI) that functions as a consent broker or data intermediary. The AA itself does not store data or use it for other purposes. It simply retrieves and passes customer data between financial institutions upon customer direction, in encrypted form, while logging consent. The AA framework covers a broad scope of data including banking transactions, credit history, securities and mutual fund holdings, insurance policy data, tax and pension data, etc. (India Press Information Bureau, 2025). Under this model, financial institutions are categorised as Financial Information Providers (FIPs) (such as banks, insurers, mutual funds, tax authorities) that hold customer data, or Financial Information Users (FIUs) (such as lenders, fintech apps) that consume the data to offer services. The AA sits in the middle managing the consent flows. Hence, India's approach differs from PSD2's more decentralised model by providing a centralised consent architecture operated by multiple competing AAs.

2.2 Key Regimes and Milestones in Open Banking Development

Open banking emerged through a series of regulatory, technological, and institutional developments across jurisdictions, rather than as a single, coordinated reform. In the aftermath of the 2008 Global Financial Crisis (GFC), early initiatives were driven by concerns over competition and data control in retail banking. As a result, the concept of customer financial data portability gained traction as a means of promoting greater competition and consumer choice. During this period regulatory discussions began on giving consumers rights to their financial data. Below we review developments in countries leading the implementation of open banking.

2.2.1 United Kingdom (UK)

The UK was an early mover in open banking. The early Midata initiative (2011–2014) allowed consumers to download their bank transaction history, which served as a precursor to open banking. In 2016–2017, following a retail banking market investigation, the UK's Competition and Markets Authority (CMA) ordered the nine largest banks to develop a common open banking API standard (OBIE, 2022). The Open Banking Implementation Entity (OBIE, now Open Banking Limited or OBL) was established in 2017 to develop API standards and oversee the rollout (Briones de Araluze and Cassinello Plaza, 2022, OBIE, 2022). By early 2018, the UK Open Banking APIs went live, coinciding with PSD2's effective date. The UK model was explicitly mandated and standardised. Accordingly, banks had to provide API access for data (accounts, transactions) and payments initiation, with robust security with strong customer authentication. The centralised approach with detailed standards led the UK to achieve relatively quick fintech uptake. Initial consumer adoption was slow but has accelerated in recent years. By early 2022, over 6 million individuals and SMEs were using open banking services (OBIE, 2022), and as of March 2025 there were 13.3 million active users (around 18.4% of the population) (Open Banking Limited, 2025). The UK experience demonstrated the importance of a strong regulatory push and common technical standards. However, it also revealed challenges in customer awareness and trust-building. The OBIE's roadmap was largely completed by 2022, after which the Joint Regulatory Oversight Committee (JROC) has been guiding the transition to a new entity and the expansion toward open finance. A notable milestone on the horizon is the implementation of variable recurring payments (VRP) as an open banking-based alternative to direct debits, which could further encourage adoption.

2.2.2 European Union (EU)

The EU's 2015 PSD2 (effective January 2018) made open banking a legal requirement across member states. PSD2's rationale was largely to spur competition and innovation in payments and account services (Preziuso et al., 2023). PSD2 obliged Account Servicing Payment Service Providers (ASPSPs), typically banks, to allow licensed third parties (AISPs/PISPs) via APIs to access payment account data and initiate payments (Bank for International Settlements, 2019). This has essentially created a single market for open banking in the EU. However, unlike the UK, the EU did not mandate a single technical standard. It provided regulatory technical standards (RTS) on security and required banks to develop APIs or other access interfaces, but multiple API standards emerged, leading to fragmentation. Nevertheless, PSD2 firmly established the principle of data sharing as a right. By 2020–2021, thousands of Third-Party Providers (TPP) had been authorised across Europe, but usage varied widely by country. In leading markets like the Nordics and France, incumbent banks themselves leveraged open banking to offer multi-bank apps, whereas in others, third-party fintech offerings multiplied. It is argued that while PSD2 improved competition and infrastructure, it fell short of directly addressing inclusion (Preziuso et al., 2023). After consulting on an Open Finance Framework, and recognising further potential, the European Commission in 2023 proposed a PSD3 and a new Open Finance Regulation, aiming to broaden data scope (into investment, insurance, etc.) and address remaining barriers (e.g. improving API performance, ending screen-scraping, and potentially mandating "data reciprocity", where FinTech firms share certain data back) (European Commission, 2023). The EU's regime has catalysed open banking frameworks in over 30 countries simultaneously. However, this scale has also increased the complexity of harmonisation. Ongoing challenges include uneven API quality across banks and low consumer awareness (Preziuso et al., 2023).

2.2.3 Australia

Australia introduced its Consumer Data Right (CDR) in 2019 as an economy-wide data portability framework, starting with banking, branded as Open Banking, then extending to energy and other sectors. Phase 1 launched in mid-2020, with the major banks required to share product reference data, followed by consumer data sharing in 2021. However, adoption has lagged expectations. By the end of 2023, only 0.31% of bank customers had an active data-sharing arrangement under CDR, reflecting very slow consumer uptake (Australian Banking Association, 2024). Several reasons are put forward. For example, the CDR regime is considered overly complex and compliance-heavy, requiring

high standards for accreditation of Data Recipients and cumbersome consent processes. Banks invested heavily in building compliance systems, but relatively few consumer-facing innovations emerged early on. A 2022–2024 strategic review (Australian Banking Association, 2024) concluded that unclear consumer value propositions, excessive technical strictness, and insufficient awareness contributed to low adoption. Australia's case is often contrasted with the UK. It is argued that simply mandating data sharing is not enough as the ecosystem must create compelling use cases that resonate with consumers, and the regulatory design must balance safety with usability. The CDR expansion into open finance is ongoing in Australia and open finance for other sectors is planned but was slowed to focus on increasing banking uptake (Leigh, 2024).

2.2.4 India

India's approach to open banking is a part of its broader digital infrastructure known as the India Stack. Rather than a stand-alone open banking law, India issued Reserve Bank of India's Master Directions (2016) to create the AA framework, officially launched in September 2021 (India Press Information Bureau, 2025). India built significant public infrastructure layers to support open banking, including Aadhaar for digital identity, UPI (Unified Payments Interface) for real-time payments, and then the AA for data. These layers are harmonious (Carrière-Swallow et al., 2021). For example, a fintech lender can authenticate a user via Aadhaar eKYC (Know Your Customer), pull transaction data via an AA from the customer's multiple bank accounts, and disburse a loan digitally via UPI. The incentive is to drive inclusion by lowering transaction costs and information barriers. By late 2025, over 112 million users had linked financial accounts through AAs (India Press Information Bureau, 2025). The AA is considered as a pivotal Digital Public Infrastructure (DPI) for inclusion, analogous to how UPI broadened payments access (Carrière-Swallow et al., 2021). Early use cases include cash-flow based lending for MSMEs, for example, entrepreneurs can share tax returns, bank statements, and wallet balances in one go to a lender to prove creditworthiness, replacing collateral requirements. It is noted that India's strategy of building public digital rails (ID, payments, data) provides "important synergies" and could be a model for other emerging economies (Carrière-Swallow et al., 2021). As of 2025, over 100 million users had linked accounts via AAs, with more than 2.2 billion account connections enabled across banking, securities, insurance and pensions (India Press Information Bureau, 2025). This breadth is aimed squarely at expanding credit access (especially for thin-file customers and MSMEs) by leveraging rich data trails from across financial services, while giving individuals control through a consent dashboard.

2.2.5 Brazil

The Central Bank of Brazil (BCB) led open banking with instant payments in Brazil. Pix, an instant payment system, was launched in November 2020, and open banking was launched in phases from early 2021, later rebranded as open finance. Brazil's Open Banking was a four-phase program: Phase I (Feb 2021) involved open data (product/pricing info); Phase II (Aug 2021) enabled sharing of customer data (accounts, transactions) among institutions upon consent; Phase III (Oct 2021) introduced payment initiation and integration with Pix for seamless payments; and Phase IV (Dec 2021) expanded scope to other financial sectors (such as credit cards, investments, and insurance). This centrally coordinated launch is deemed to be among the most comprehensive globally (Arajuo, 2025, LuxHub, 2025). By 2023, the BCB reported over 27 million registered customers and 41 million accounts in the open finance ecosystem (CGAP, 2023). Moreover, Pix users reached two-thirds of Brazil's population within two years, with the system handling over 40 billion transactions annually (Brandt, 2024). The interaction of Pix with open finance allowed FinTechs and banks to both initiate payments and leverage transaction data via APIs, creating new product offerings, such as treasury management for SMEs that auto-sweep funds via Pix, or personal finance apps that both aggregate accounts and allow one-click bill payments. Evidence indicates that these innovations attracted more people into formal finance as Pix contributed to millions of new bank account openings and shifted many transactions from cash to digital (CGAP, 2023). Banks have reported significant increases in digital account usage concurrent with Pix/Open Finance launch (CGAP, 2023). Furthermore, Brazil's approach also mandated reciprocity as large fintechs must share data too, aiming to prevent data monopolies by big tech firms. As of 2024, Brazil was moving to Open Finance+, exploring integration of telecom and utility data to further bolster credit inclusion (World Bank, 2020).

2.2.6 United States

The U.S. has taken a market-driven approach to open banking. There has been no federal law mandating open banking and, instead, since the 2010s, data aggregators like Plaid, Yodlee, Finicity, etc., negotiated connections with banks. These connections were often established by screen-scraping user logins or using APIs when available to enable services like budgeting apps, payment apps, or loan underwriting. This led to significant usage, and as of 2021, over 100 million U.S. consumers were estimated to have connected their bank accounts to at least one third-party financial app through such aggregators (Consumer Financial Protection Bureau, 2024). However, as the U.S. open banking ecosystem

was rather fragmented and unstandardised due to the market-driven approach, there were concerns around data security and misuse. To remedy these issues in October 2024 the Consumer Financial Protection Bureau (CFPB) finalised the first Personal Financial Data Rights Rule to legally require financial institutions to provide consumers (and their authorised third-parties) access to their financial data (Consumer Financial Protection Bureau, 2024). The U.S. version of open banking regulation targets key areas as it mandates that upon a consumer's request, banks, credit card issuers, digital wallets, and others must transfer that consumer's data to another provider for free. Covered data include checking and savings account info, transaction history, balances, payment details, among others (Consumer Financial Protection Bureau, 2024). The rule also sets standards to move away from screen-scraping toward safe APIs, and imposes privacy guardrails (i.e. data can only be used for the purpose the consumer agreed to). The CFPB framed this as pro-competition and pro-consumer, enabling people to switch to better options readily, as well as helping those with thin credit files by allowing alternative data to be used in underwriting (Consumer Financial Protection Bureau, 2024). The U.S. approach was phased. Initial rules focus on consumer and SME deposit accounts and credit cards, with plans to later include other products (loans, investments). Unlike the UK/EU's competition-led origin, the U.S. approach often emphasised consumer rights and control, as well as competition. One distinctive aspect in the U.S. debate is concern about large tech companies. Regulators are wary that these companies (such as Apple, Google, etc.) could access banking data without reciprocal sharing as they are not banks, potentially concentrating data power (International Monetary Fund, 2024). The CFPB has signalled it may consider rules to ensure a level playing field (e.g. data reciprocity or additional oversight on data aggregators). However, this has not yet been implemented as of January 2026. Given the size of the U.S. market, implementation of open banking can expand global fintech and inclusion opportunities (e.g., more apps to help the unbanked or underbanked manage finances, more competition driving down fees in payments and credit). However, the exact impact may depend on adoption and whether consumers trust and use these new data portability options. Historically, U.S. consumers have been slower to adopt mobile finance apps compared to, say, China or India, but usage is growing.

2.2.7 Other Jurisdictions

Many other countries have pursued open banking in some form. Mexico included open banking mandates in its 2018 Fintech Law, covering open public data, anonymised aggregate data, and customer data. The first phase (open data) went live in 2020, while sensitive customer data sharing frameworks are still (as of January 2026) under devel-

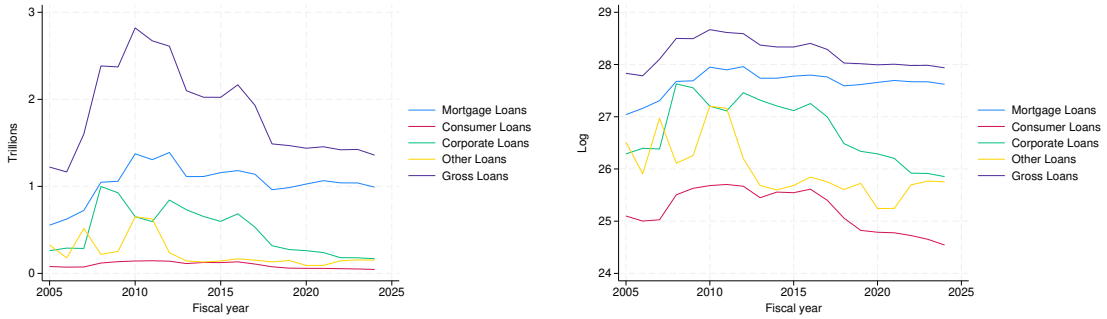
opment. Progress has lagged due to delays in issuing secondary regulations and a lack of industry readiness. Canada has set a target for launching the consumer-driven banking (open banking) framework in early 2026, with initial functionality focused on read access for secure data sharing. Subsequent phases, such as payment initiation and account actions, are planned for around mid-2027, often aligned with the deployment of the Real-Time Rail payment infrastructure. Singapore took a market-driven collaborative approach as the Monetary Authority of Singapore encouraged open API development and published guidelines. A voluntary API catalogue for banking data was launched, encouraging industry-led open banking (Association of Banks in Singapore (ABS) & Monetary Authority of Singapore (MAS), 2016). Hong Kong launched an Open API Framework in 2018, in phases, initially product data, then customer data for integrated banks and TPP partnerships. These initiatives serve as regional exemplars. Japan amended its Banking Act in 2017 to encourage banks to open APIs and required banks to have partnership agreements with TPPs. By 2021, over 100 banks had implemented APIs and entered fintech collaborations. However, as of 2026, the model remains predominantly partnership-driven, with independent third-party competition still relatively limited. Several countries are exploring open banking as part of financial inclusion strategies in Africa and the Middle East. For instance, Nigeria issued open banking guidelines in 2021 and operational rules in 2023, making it one of the first in Africa. The focus is on standardising APIs in a market already known for fintech activity (especially in payments). Kenya and South Africa have consultative initiatives, with South Africa's financial sector working on API standards voluntarily. The African context often differs because mobile money is dominant. Hence, open finance may need to include telecom-led mobile wallets, not just banks. Bahrain implemented open banking rules in 2018, following UK standards closely, and was among the first in the region. Saudi Arabia launched an open banking program in 2021, and the first phase (account data) went live in 2023. These efforts are part of broader digital finance modernisation in the region. Overall, reflecting on regional developments above, several patterns emerge. First, it seems that jurisdictions that pressed forward with clear rules (UK, EU, Brazil, India) saw faster creation of open banking ecosystems, whereas those relying on voluntary industry action (U.S., Canada historically, some Asian markets) saw slow progress until regulators intervened. Second, developing countries like India and Brazil embedded open banking in a larger inclusion-oriented strategy, potentially amplifying impact. Developed markets, on the other hand, often framed it in competitive terms and later reverted to inclusion. Third, phased and adaptive approaches are common. Most regimes did not open all data at once but started with certain products and expanded, learning and adjusting regulation along the way.

Finally, the more successful implementations seem to combine strong technical standards (which build interoperability and reduce friction) with efforts to educate and protect consumers (which build trust).

3 Trends in Lending in the UK

This section explores how UK banks' and building societies' lending has evolved over time, highlighting both the overall scale of credit provision and how it is split across major loan categories. We track trends in total lending alongside key components, including mortgages, corporate borrowing, consumer credit, and other lending, to show how the composition and intensity of bank credit change across economic cycles. This analysis provides a picture of where lending growth has been concentrated, when it has retrenched, and how different segments of the market contribute to the UK bank and building societies' balance sheets.

Figure 1: UK Bank Lending Trends



(a) Levels (b) Log

Left panel of Figure 1 plots UK banks' total lending (in trillions) by loan type over fiscal years 2005–2024. Gross loans rise sharply from around £1.2tn in 2005 to a peak near £2.8tn around 2010. Subsequently they fall steadily to roughly £2.0tn by the mid-2010s and settles around £1.5tn from about 2018 onward. Over the whole period, mortgage lending is the largest and most stable component. It climbs to about £1.4tn around 2011 and stabilises close to £1.0tn in recent years. Corporate loans show the biggest swings, spiking around 2008–2012 and then trending down after 2016. Other loans exhibit short-lived peaks before shrinking to a relatively small share. Consumer loans remain comparatively minor throughout.

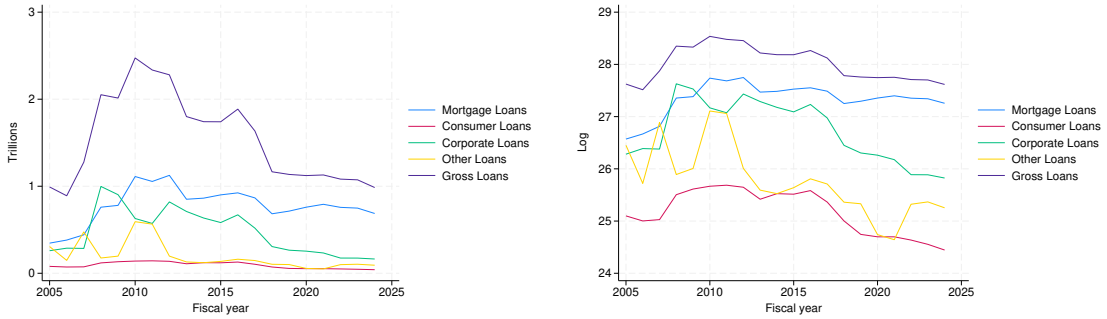
Right panel of Figure 1 plots the log-scale version of the lending series. It highlights proportional (percentage) changes rather than absolute pound amounts, making it easier to compare growth and contraction across loan categories that differ greatly in size. Gross lending rises through the late 2000s edging down slightly in the later years. Mortgage lending follows a similar but smoother pattern. It increases up to the early 2010s and then follows a stable path with only modest drift. This trend underscores its role as the

most persistent component of bank loan portfolios. Corporate lending shows a clearer post-mid-2010s retrenchment as it declines noticeably from 2016 onward. Other loans are more volatile, with short-lived spikes around the financial crisis and early 2010s. Consumer lending remains the smallest category, rising into the early 2010s but then trending downward.

3.1 Commercial Banks

Commercial banks represent the largest part of lending activity in the UK banking system. Figure 2 displays lending activity for commercial banks in the UK, and it can be seen that the levels are close to total lending in the UK. In general, the observed patterns are similar to the whole banking sector in Figure 1.

Figure 2: UK Commercial Bank Lending Trends



(a) Levels (b) Log

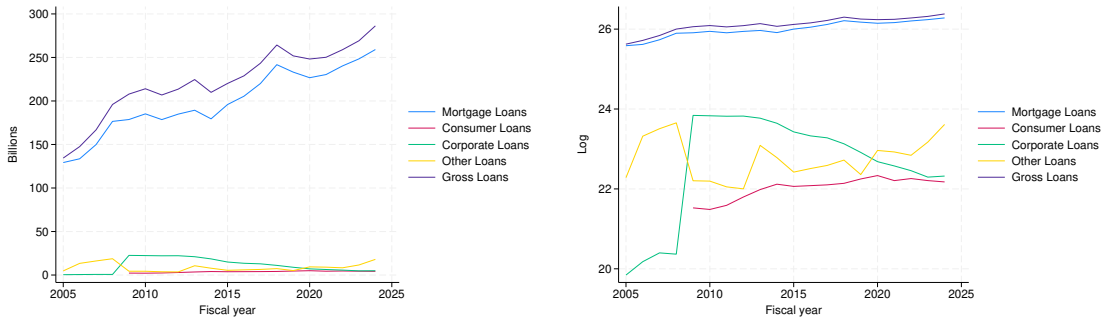
Left panel of Figure 2 shows a boom–bust pattern in lending. Gross loans climb from just under £1.0tn in 2005 to a peak of roughly £2.5tn around 2010, before trending downward. This cycle is also reflected in the main components. Mortgage lending remains the largest category throughout. It rises strongly into 2010–2012 and then gradually decreases to around £0.8tn in recent years. Corporate lending is more volatile, increasing in the late 2000s and then steadily contracting afterwards. Other loans display short-lived spikes around the late 2000s, while consumer lending stays comparatively small.

In the right panel of Figure 2, the focus shifts to relative growth and contraction across loan types. Gross lending peaks in the early 2010s before stabilising and gradually declining, with mortgage lending remaining the most stable component despite a slight fall. In contrast, corporate lending shows a sustained decline from the mid-2010s, while other loans are volatile and consumer lending trends steadily downward to its lowest level by the early 2020s.

3.2 Building Societies

Building societies are a distinctive part of the UK banking system. They are mutual, member-owned deposit-takers whose business model is typically centred on funding residential mortgages with retail savings. Compared with commercial banks, they tend to be more specialised and conservative lenders, playing an important role in mortgage market competition and household credit while maintaining a relatively limited presence in riskier or more diversified forms of lending.

Figure 3: UK Building Societies Lending Trends



(a) Levels (b) Log

Figure 3 shows that this specialisation is clearly reflected in both the levels and log dynamics of building-society lending. In levels (left panel), gross loans rise from roughly the mid-£100bn range in 2005 to close to £300bn by the end of the sample period. Almost all of this movement is accounted for by mortgage loans, which closely track gross lending throughout, confirming that mortgages dominate building societies' balance sheets and drive the aggregate trend. The non-mortgage categories remain small in comparison but show distinct patterns. Corporate loans appear as a temporary expansion around the late 2000s followed by a long, steady decline to a low level by the end of the period. Consumer loans stay minimal and fairly flat, and other loans fluctuate, picking up in the most recent years.

The log figure (right panel) reinforces these conclusions by shifting attention to proportional changes. The log paths for gross and mortgage lending trend upward and remain smooth, indicating persistent but moderate growth rather than sharp boom–bust swings. By contrast, the smaller categories show much clearer relative variation in logs. Corporate lending exhibits a marked downtrend after its earlier high point. Other loans show noticeable volatility and a late-sample rebound—patterns that are less visually prominent in levels because these balances are small next to mortgages. Overall, the figures depict building societies as a steadily expanding lender whose aggregate lending

cycle is overwhelmingly a mortgage cycle, with other forms of credit remaining peripheral.

3.3 Commercial Banks vs. Building Societies

We compare lending trends for commercial banks and building societies to highlight how differences in business models translate into different patterns of credit provision over time. Commercial banks operate with broad, diversified loan books (mortgages, corporate credit, and other lending) and their aggregate lending tends to reflect wider shifts in household and business borrowing conditions. Building societies, by contrast, are specialist mutual lenders whose balance sheets are dominated by residential mortgages funded largely through retail savings, making their lending dynamics more closely tied to the housing market. By examining these two groups side by side, we can assess how the level, composition, and volatility of lending evolve across institutional types and across major economic phases.

Figure 4: Commercial Banks vs. Building Societies: Gross Loans

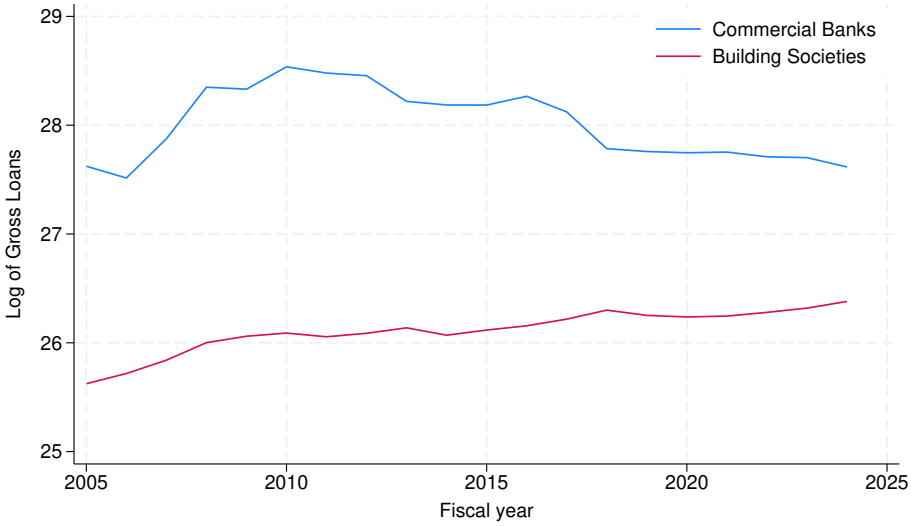


Figure 4 compares the log of gross loans for commercial banks and building societies from 2005 to 2024, which emphasises relative (percentage) changes rather than absolute differences. Commercial banks expand strongly up to the late 2000s, reaching their highest log level around 2011, and then show a gradual downtrend thereafter. Building societies follow a smoother, steadier path. Their gross lending rises gradually over the whole period, edging up to their highest level in 2024. Overall, the log profiles highlight a contrast between commercial banks' post-peak retrenchment and building societies' per-

sistent, incremental growth, consistent with the latter's more stable, mortgage-focused lending model.

Figure 5: Commercial Banks vs. Building Societies: Mortgage Loans

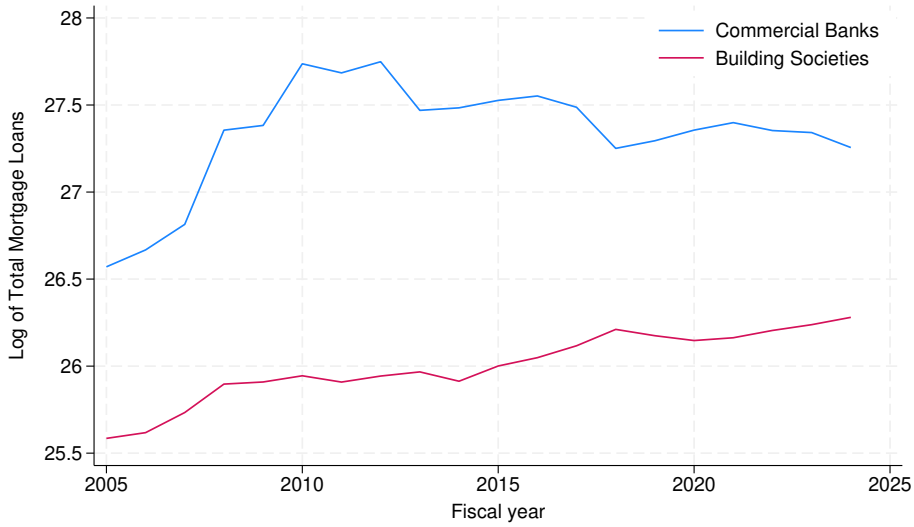


Figure 5 plots the log of total mortgage loans for commercial banks and building societies over 2005–2024. Commercial banks show a rapid run-up in mortgage lending up to around 2011, followed by a period of broadly flat dynamics and decline. Building societies display a steady increase over time. Overall, the log profiles highlight that commercial banks experienced a stronger early expansion and subsequent retrenchment, while building societies' mortgage lending grew more persistently and with less cyclical variation.

Figure 6 plots the log of total corporate loans for commercial banks and building societies over 2005–2024, so changes reflect proportional movements in business lending. Commercial banks exhibit much higher and more cyclical corporate lending, rising sharply to a peak around 2008–2009 before declining steadily to their lowest levels by 2024. In contrast, building societies operate at a much smaller scale, with corporate lending remaining peripheral and gradually declining after a brief increase around 2009.

Figure 7 presents the log of total consumer loans for commercial banks and building societies over 2005–2024. Commercial banks dominate consumer lending, showing a clear cycle with growth up to the early 2010s followed by a steady decline after 2017. In contrast, building societies operate at a much smaller scale, with consumer lending remaining relatively stable and only modestly changing over time.

Figure 6: Commercial Banks vs. Building Societies: Corporate Loans

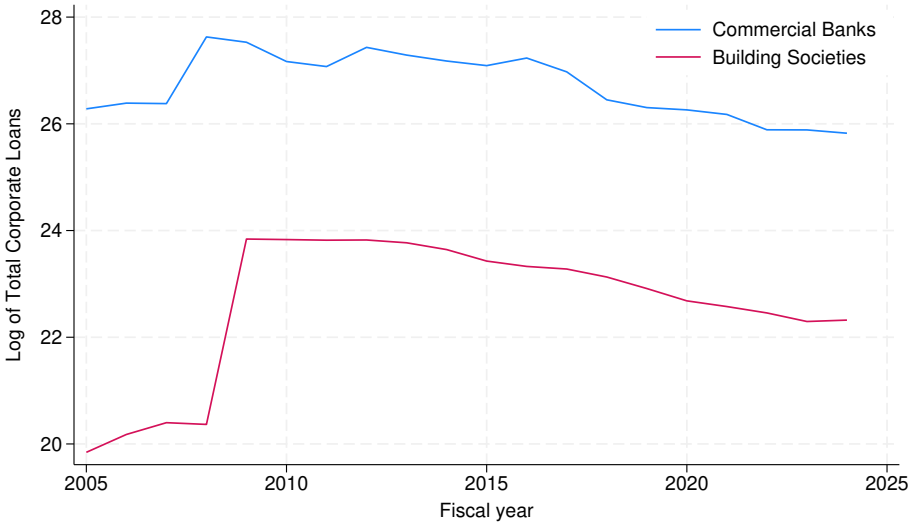
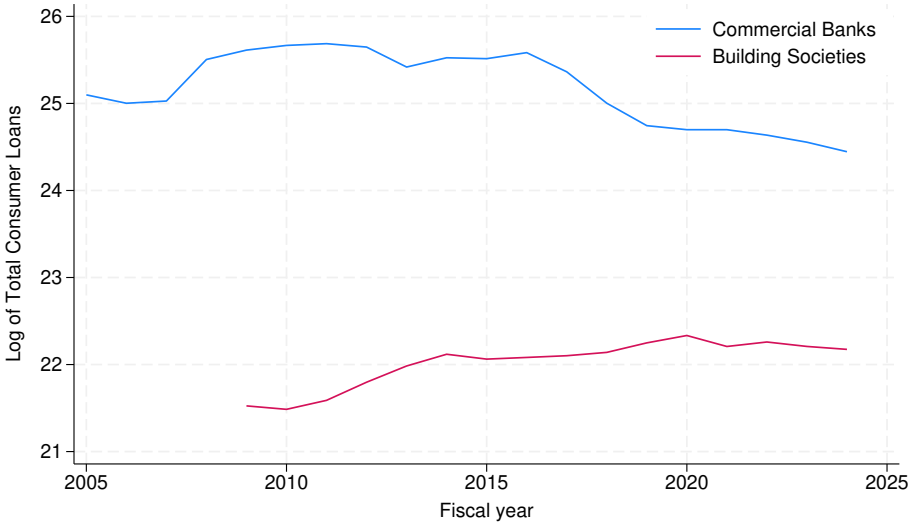


Figure 7: Commercial Banks vs. Building Societies: Consumer Loans

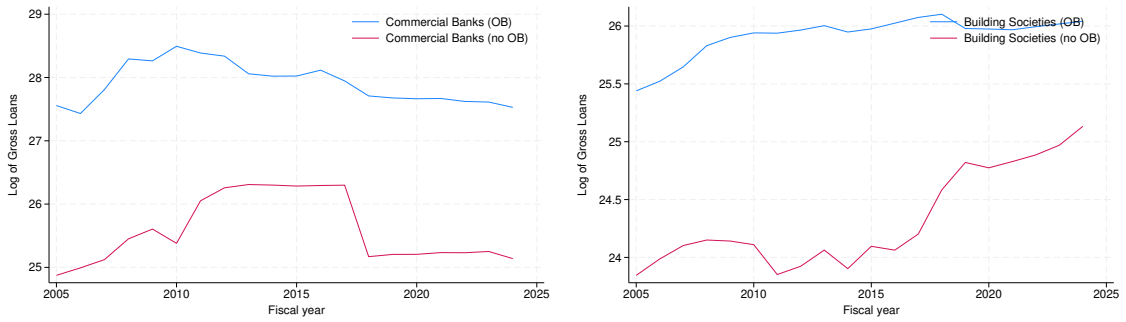


3.3.1 Open Banking

Open Banking adoption in the UK refers to banks and building societies enabling secure, API-based sharing of customer-permissioned account data, and in some cases payment initiation, with regulated third parties. In practice, adoption reflects both technological capability and strategic orientation. Institutions that adopt Open Banking are more likely to be those seeking to strengthen digital distribution, improve onboarding and customer servicing, and make greater use of data in credit assessment. At the same time, adoption may also reflect pre-existing differences in scale, business model, and organisational capacity. The figures below should therefore be interpreted as descriptive comparisons between adopters and non-adopters, rather than as evidence that Open Banking itself causes the differences observed.

Figure 8 and Figure 9 compare the lending trajectories of Open Banking adopters and non-adopters for commercial banks and building societies. A clear pattern emerges in both sectors: institutions that adopt Open Banking tend to be larger lenders throughout the sample period. Among commercial banks, Open Banking adopters consistently exhibit higher gross lending and higher mortgage lending than non-adopters. The gap is sizeable and persistent over time, suggesting that Open Banking adoption among banks is associated primarily with large, already well-established institutions rather than smaller lenders catching up. Both groups broadly follow the same aggregate cycle seen elsewhere in the report, with lending peaking around the late 2000s or early 2010s and then moderating, but adopters remain on a visibly higher lending path throughout.

Figure 8: Open Banking Adopting Banks' Gross Lending Trends

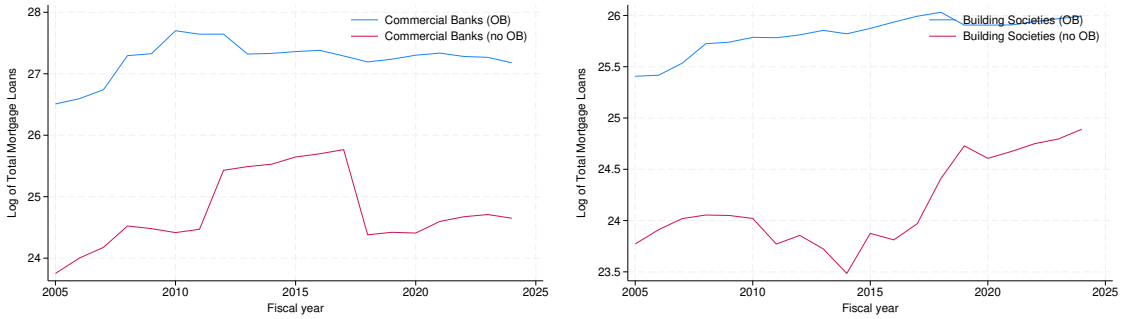


(a) Commercial Banks

(b) Building Societies

The same broad result holds for building societies, although the differences are narrower. Open Banking-adopting building societies have higher gross lending and mortgage lending than non-adopting societies across most of the sample. The most notable feature is that the gap widens in the later years, especially from around the late 2010s

Figure 9: Open Banking Adopting Banks' Mortgage Lending Trends



(a) Commercial Banks

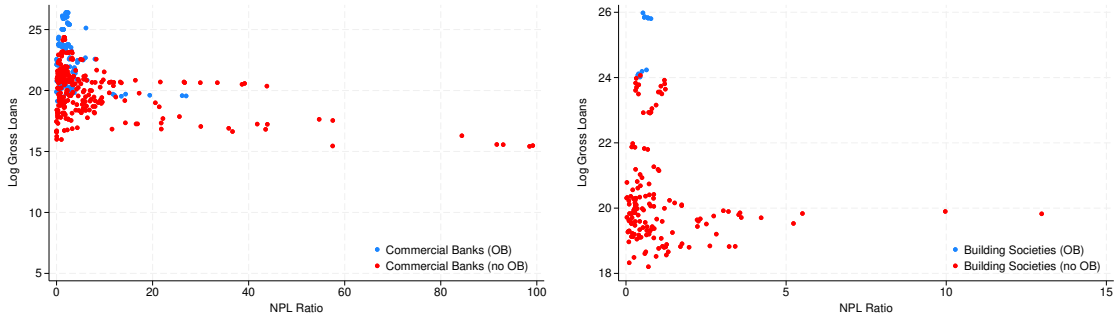
(b) Building Societies

onward, as non-adopting societies remain on a lower lending path while adopters maintain or slightly extend their lead. This is consistent with the idea that among building societies, Open Banking adoption is concentrated among larger and more operationally capable institutions, rather than being evenly distributed across the sector. Given the mutual sector's smaller average scale and stronger reliance on traditional mortgage intermediation, this pattern is not surprising. It suggests that digital adoption may reinforce existing differences between larger and smaller societies.

Figure 10 and Figure 11 relate lending volumes to non-performing loan (NPL) ratios. These figures are presented as scatter plots using bank-year observations over the period 2005–2024, where data are available. Here the contrast between adopters and non-adopters is visible. For commercial banks, Open Banking adopters are clustered at lower NPL ratios and higher levels of gross and mortgage lending, whereas non-adopters are spread much more widely across the risk distribution, including a number of institutions with very high NPL ratios and substantially lower lending volumes. This pattern indicates that Open Banking adoption among banks is associated with institutions that are not only larger, but also appear to have lower credit risk in their balance sheets. In descriptive terms, adopters look more like stronger, healthier incumbents, while non-adopters include a more heterogeneous group of smaller and weaker institutions.

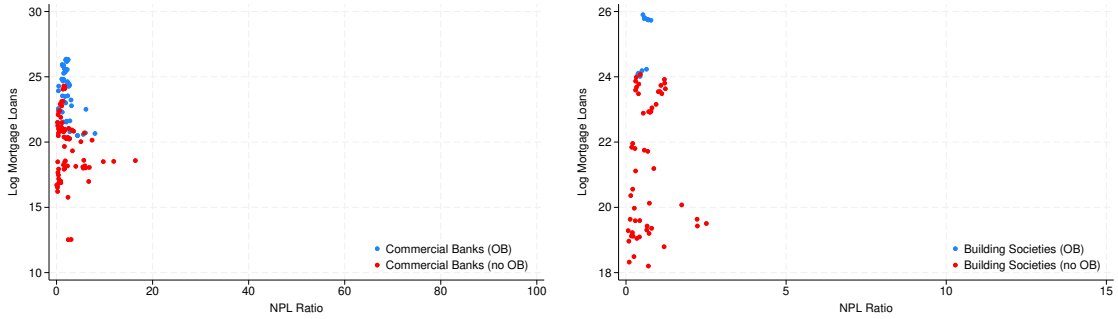
A similar relationship appears among building societies. Open Banking adopters are concentrated in the upper-left portion of the charts. They combine relatively high gross and mortgage lending with very low NPL ratios. Non-adopting societies, by contrast, are more dispersed and include a greater number of observations with both lower lending volumes and somewhat higher NPL ratios. The dispersion is smaller than for commercial banks, reflecting the generally lower-risk and more mortgage-centred nature of the building society sector, but the direction of the relationship is the same. This suggests

Figure 10: Open Banking Adopting Banks' Gross Lending and NPL Ratio



(a) Commercial Banks (b) Building Societies

Figure 11: Open Banking Adopting Banks' Mortgage Lending and NPL Ratio

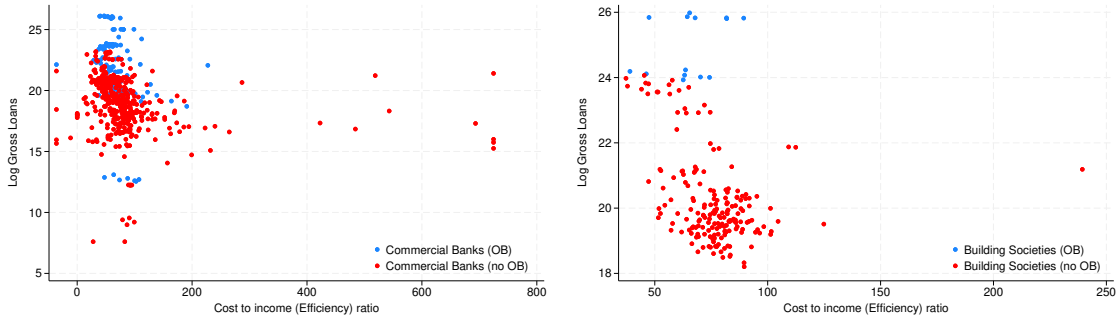


(a) Commercial Banks (b) Building Societies

that Open Banking adoption within the mutual sector is associated not only with larger scale but also with stronger asset quality. That may reflect the fact that institutions with stronger balance sheets and more internal capacity are better placed to invest in Open Banking infrastructure.

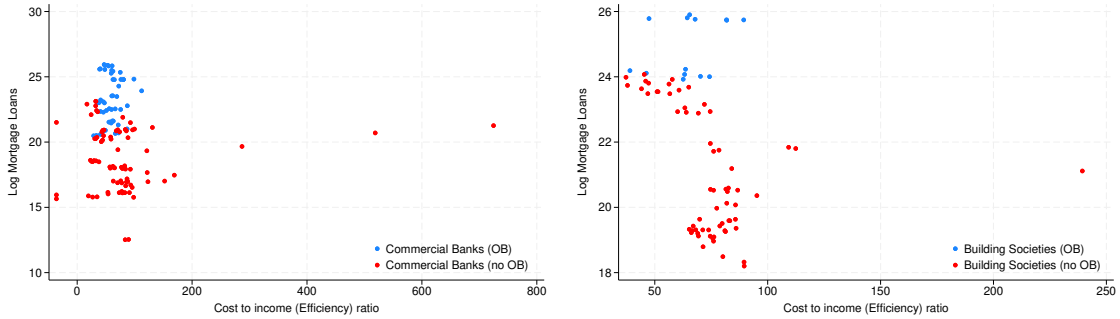
Figure 12 and Figure 13 show the relationship between lending and the cost-to-income ratio, used here as an indicator of operating efficiency, based on bank-year observations over 2005–2024. For commercial banks, Open Banking adopters again appear as a relatively tight cluster of larger institutions with lower or mid-range cost-to-income ratios. Non-adopters are much more dispersed and include many institutions with high cost-to-income ratios and lower lending volumes, as well as several extreme outliers. This pattern suggests that Open Banking adoption is associated with more efficient large-scale banking franchises. It would be too strong to conclude that Open Banking itself improves efficiency, but the evidence is consistent with the view that banks with stronger digital capabilities and lower operating frictions are more likely both to adopt Open Banking and to sustain larger lending books.

Figure 12: Open Banking Adopting Banks' Gross Lending and Cost-to-Income Ratio



(a) Commercial Banks (b) Building Societies

Figure 13: Open Banking Adopting Banks' Mortgage Lending and Cost-to-Income Ratio



(a) Commercial Banks (b) Building Societies

Among building societies, the same basic pattern is visible, though within a tighter range. Adopting societies are concentrated at relatively high levels of gross and mortgage lending and at lower cost-to-income ratios. Non-adopters are more common at lower lending levels and higher cost-to-income ratios, with a few clear high-cost outliers. This is an important result for the mutual sector. It suggests that Open Banking adoption is more common among societies that are already operating at greater scale and with stronger cost discipline. For smaller societies, the fixed costs of Open Banking compliance, implementation, and partnership development may be more difficult to absorb, which could help explain the weaker adoption pattern seen earlier.

Taken together, Figures 8–13 point to a consistent conclusion. Across both commercial banks and building societies, Open Banking adopters tend to be larger institutions with stronger mortgage books, lower NPL ratios, and lower cost-to-income ratios. In other words, adoption is associated with scale, balance-sheet strength, and operational efficiency. For commercial banks, this likely reflects the fact that the largest banks were both more exposed to the regulatory push behind Open Banking and better equipped to

expand their API capabilities. For building societies, it suggests that digital transition is uneven within the sector, with larger societies better positioned to adopt and integrate Open Banking than smaller mutuals. The figures therefore support the broader interpretation that Open Banking adoption in the UK has so far been selective rather than uniform, and that institutional capacity matters greatly in shaping who adopts early and who does not.

At the same time, these figures should be read with caution. They do not identify the causal effect of Open Banking on lending, risk, or efficiency. The associations may partly reflect selection where stronger institutions may be more likely to adopt Open Banking in the first place. Nevertheless, for the purposes of this report, the descriptive evidence is still informative. It suggests that Open Banking is not spreading evenly across the UK financial system, and that among both banks and building societies, adoption is currently concentrated among institutions that are already larger, stronger, and more efficient. That has important implications for competition and inclusion, because it raises the possibility that the benefits of Open Banking may accrue disproportionately to institutions with the greatest pre-existing capacity to invest in digital infrastructure.

4 Demographic Observations

4.1 Building Society Presence by UK Region

Figure 14 provides a geographic overview of building society presence across the UK, measured as the share of all local bank branches that belong to building societies. The figure is displayed in two panels. The left panel reports the building society branch share including all building societies, while the right panel repeats the analysis excluding Nationwide, which is substantially larger than other building societies and has a presence that more closely resembles a traditional nationwide retail bank.

The left panel shows that building society presence varies substantially across regions, suggesting that branch-based access to building societies is highly uneven across the country. Several areas exhibit a high building society branch share, reflecting a strong mutual banking footprint and potentially greater reliance on building societies for retail banking services, including savings and mortgage provision. In contrast, other regions appear substantially lighter in building society coverage, implying that customers in those areas are more likely to be served primarily by large commercial banks.

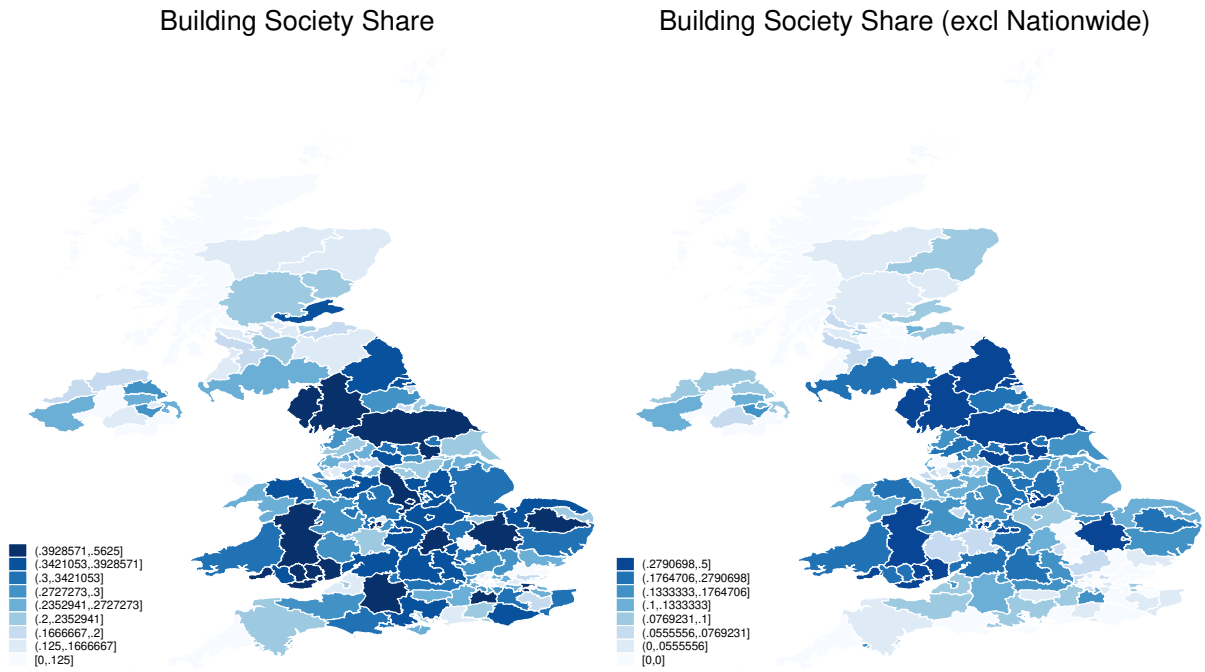
The right panel (excluding Nationwide) highlights that a significant portion of the building society presence in some areas is driven by Nationwide's scale and geographical reach. Once Nationwide is removed, building society presence becomes more concentrated and more locally clustered, consistent with the long-standing view that many building societies retain regional strongholds rather than operating as fully national branch networks. In other words, while the left panel may suggest broad building society penetration, the right panel reveals that this pattern is not uniform across the sector and that the typical building society tends to have a more localised physical presence.

This distinction is important in the context of Open Banking adoption and outcomes. Building societies with a concentrated branch presence may face different digital transition dynamics compared to national retail banks. Regions with a higher building society branch share may reflect communities where customers are more accustomed to mutual providers and branch-based interactions, which can have ambiguous implications for Open Banking. On one hand, strong local presence may support trust and engagement, potentially helping to encourage adoption of digital services. On the other hand, regions where building societies play a larger role may include customer segments that value traditional channels more heavily, which may slow the uptake of data-driven and app-based financial services relative to areas dominated by digitally mature large banks.

Overall, Figure 14 establishes a useful benchmark for interpreting later results. It shows that the building societies' physical presence is not only heterogeneous, but also

depends strongly on whether Nationwide is included. This motivates treating Nationwide separately in empirical analysis and interpretation, since its scale can mask meaningful variation among smaller building societies whose competitive position, customer base, and digital capabilities may differ substantially.

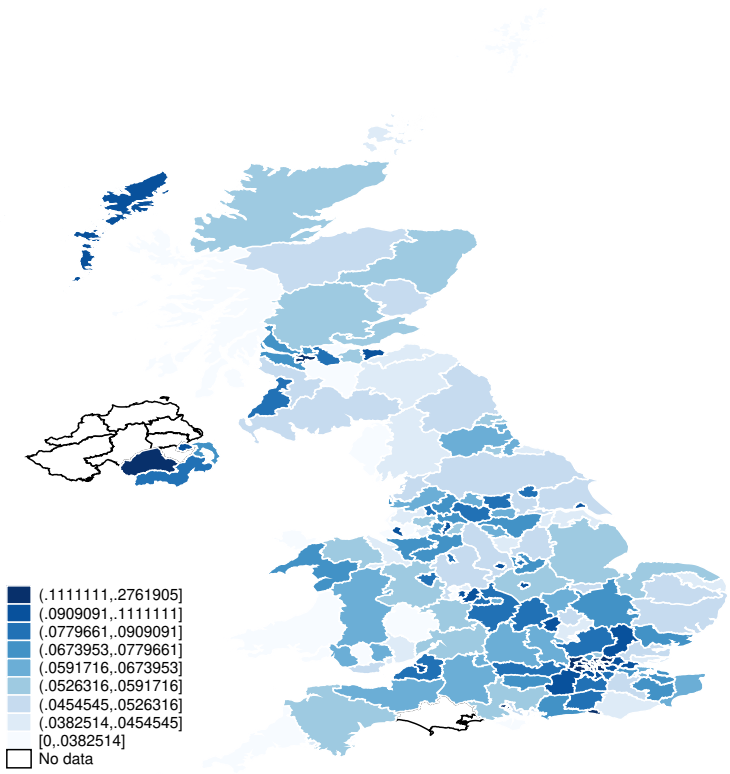
Figure 14: Building Society Branch Share by UK Region



4.2 Fintech Adoption by UK Region

Figure 15 maps fintech adoption[1] across UK regions, illustrating substantial geographic variation in the use of fintech-enabled financial services. The distribution is clearly uneven. While some regions display relatively high adoption rates, others remain notably lower, suggesting that fintech engagement is shaped by regional differences in digital behaviour, financial habits, and the structure of local retail banking markets.

Figure 15: Fintech Adoption by UK Region

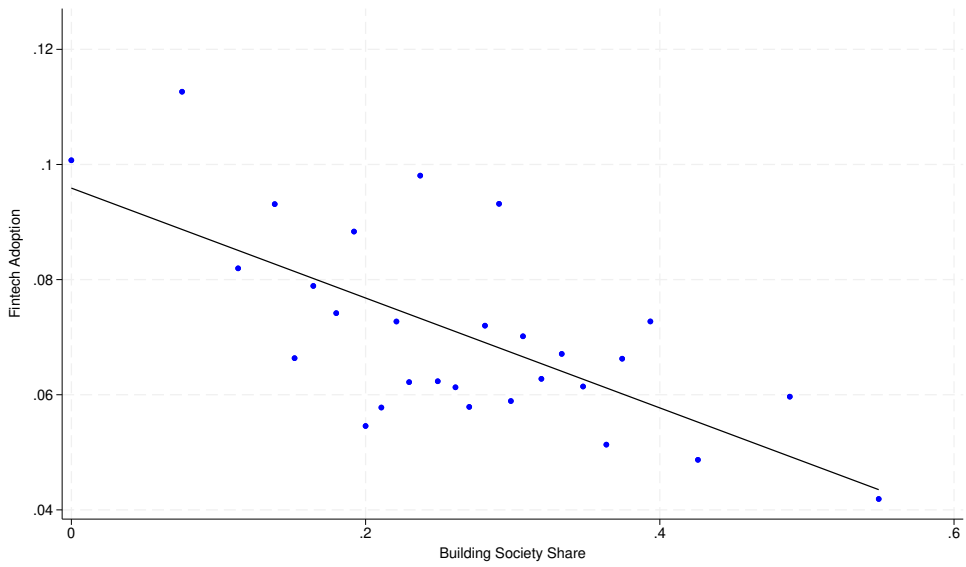


A key observation which is particularly relevant for the Building Societies Association and the Open Banking agenda is that many of the regions where building societies have a stronger presence also tend to display lower fintech adoption. This relationship is further supported by Figure 16, which plots regional fintech adoption directly against the local

[1]The FCA's Financial Lives Survey records information on financial technology usage, enabling us to study adoption patterns. Respondents report whether, in the past 12 months, they used open banking payment services, mobile wallet applications (e.g., ApplePay, SamsungPay, AndroidPay), and international money transfer services (e.g., Revolut, Transferwise, Western Union). To capture overall engagement, we construct an additive index that is the sum of these three indicators, with higher values indicating broader fintech adoption. Then, a binary measure is defined, taking the value of one if respondents used more than one type of fintech service.

building society branch share. The fitted trend line shows a clear negative association, indicating that fintech adoption tends to decline as building society presence increases. While this evidence is descriptive rather than causal, it strengthens the geographic insight from Figure 14 and Figure 15 by showing that the pattern holds systematically across regions, rather than being driven by a small number of outliers. This pattern is important because Open Banking is often implemented through fintech-facing channels (e.g., budgeting apps, aggregation tools, or alternative lenders using Open Banking data), meaning that regional differences in fintech engagement may translate directly into differences in Open Banking usage and impact.

Figure 16: Fintech Adoption by Regional Building Society Activity



From an Open Banking perspective, these results suggest that the challenge is not only about making Open Banking infrastructure available, but also about ensuring it is actively adopted and used in areas where consumers are less engaged with fintech. In regions with lower fintech adoption, consumers may be less exposed to Open Banking-enabled products, may be more hesitant to share financial data digitally, or may place greater trust in traditional relationship-based banking. These factors align closely with the market segments that building societies often serve, including customers who value branch access, personal service, and longstanding institutional trust.

This regional pattern matters for building societies in two ways. First, it suggests that building societies operating in lower-adoption regions may face a slower transition toward Open Banking-driven customer journeys, even if the strategic benefits are substan-

tial (e.g., improved affordability assessment, better customer insights, and more streamlined onboarding). Second, it indicates that building societies may have a distinctive opportunity: by leveraging their customer trust and community roots, they could play a leading role in translating Open Banking from an abstract technological framework into a practical consumer benefit, particularly in areas where fintech penetration is weaker.

Overall, Figures 15 and 16 reinforce the importance of viewing Open Banking adoption through a regional and behavioural lens. If fintech adoption is systematically lower in building-society-heavy regions, then a purely fintech-led diffusion of Open Banking may not reach all consumers equally. This highlights the role that building societies can play in supporting more inclusive Open Banking outcomes, ensuring that customers in lower-adoption regions are not left behind in the shift toward data-driven retail finance.

4.3 Financial Inclusion by UK Region

Figure 17 maps the share of respondents reporting difficulty accessing a bank branch across UK regions. This indicator captures an important dimension of financial inclusion, as limited physical access to banking services may constrain households' ability to obtain financial advice, open accounts, or resolve problems that cannot easily be addressed through digital channels.

A clear regional pattern emerges. Branch access difficulty appears to be more pronounced in rural and peripheral regions, including parts of Scotland, Wales, and the North of England, while metropolitan areas in the South East and major urban centres exhibit relatively lower reported access barriers. These differences likely reflect variations in population density, branch closures, and the restructuring of traditional bank networks over the past decade.

The geographic pattern also intersects with the regional presence of building societies. As shown earlier in Figure 14, building societies maintain a stronger branch footprint in several of the regions where access to mainstream bank branches may otherwise be limited. In these areas, building societies may play an important role in mitigating financial exclusion, particularly for customers who rely on in-person banking services. Their mutual structure and community-oriented branch networks often allow them to maintain local presence where large commercial banks have rationalised their branch coverage.

From an Open Banking perspective, these regional differences have two implications. First, areas with higher branch access difficulty may face greater reliance on digital financial services as physical banking options decline. Second, building societies operating in these regions may occupy a strategic position in facilitating the transition toward digital

finance, as they combine local trust with gradually expanding digital capabilities.

Overall, the figure highlights that financial inclusion challenges are not uniformly distributed across the UK and that the local banking structure, particularly the presence of building societies, may play an important role in shaping access to financial services.

Figure 17: Branch Access Difficulty

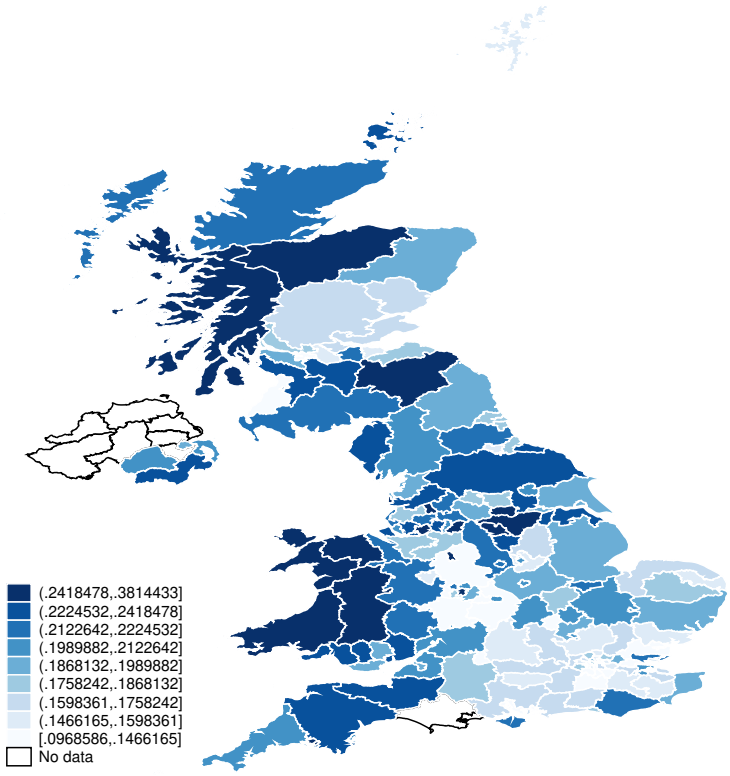


Figure 18 illustrates the regional distribution of respondents who report having applied for a financial product but being declined. This measure provides an indication of potential credit access constraints, capturing areas where households may face greater difficulty obtaining financial services such as loans, credit cards, or overdrafts.

The figure suggests substantial regional heterogeneity in credit access outcomes. Higher rejection rates appear in several regions outside the South East of England, particularly in areas that historically exhibit lower average incomes and weaker local economic activity. These regional differences may reflect variation in borrower risk profiles, local economic conditions, and the lending strategies of financial institutions.

The relationship between credit access and the regional presence of building societies is particularly relevant in this context. Building societies have traditionally specialised in mortgage lending and relationship-based retail banking, often emphasising long-term

customer relationships and affordability assessments rather than automated credit scoring alone. As a result, regions where building societies maintain a stronger presence may experience somewhat different patterns of credit provision compared with areas dominated by large commercial banks.

In particular, building societies' emphasis on conservative mortgage lending and member-oriented governance structures may allow them to serve customer segments that might otherwise face exclusion from mainstream lending markets. At the same time, their narrower product scope, for example in unsecured credit, means that they cannot fully substitute for the broader credit supply provided by large commercial banks.

From the perspective of Open Banking, these patterns highlight an important potential benefit. By enabling lenders to access richer financial data with customer consent, Open Banking may reduce information asymmetries in credit markets and improve credit access for consumers whose traditional credit histories are limited. Regions with higher rejection rates may therefore stand to benefit disproportionately from data-driven underwriting approaches, provided that both banks and building societies integrate Open Banking tools into their lending processes.

Figure 18: Declined Financial Product Application

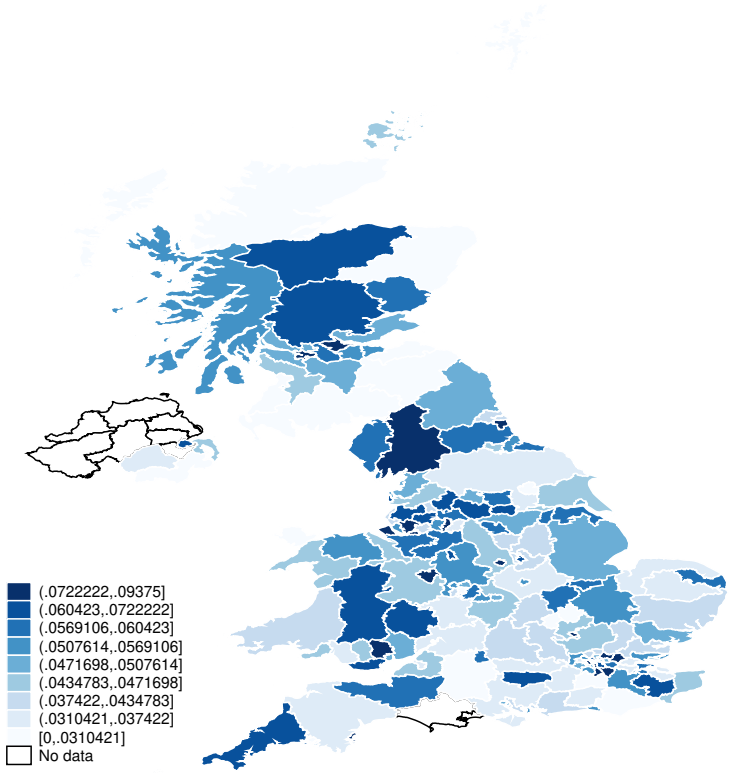


Figure 19 presents the regional distribution of online banking usage, capturing the share of individuals who report using digital banking channels. This indicator provides a useful proxy for digital financial inclusion, reflecting both access to digital infrastructure and consumers' willingness to engage with online financial services.

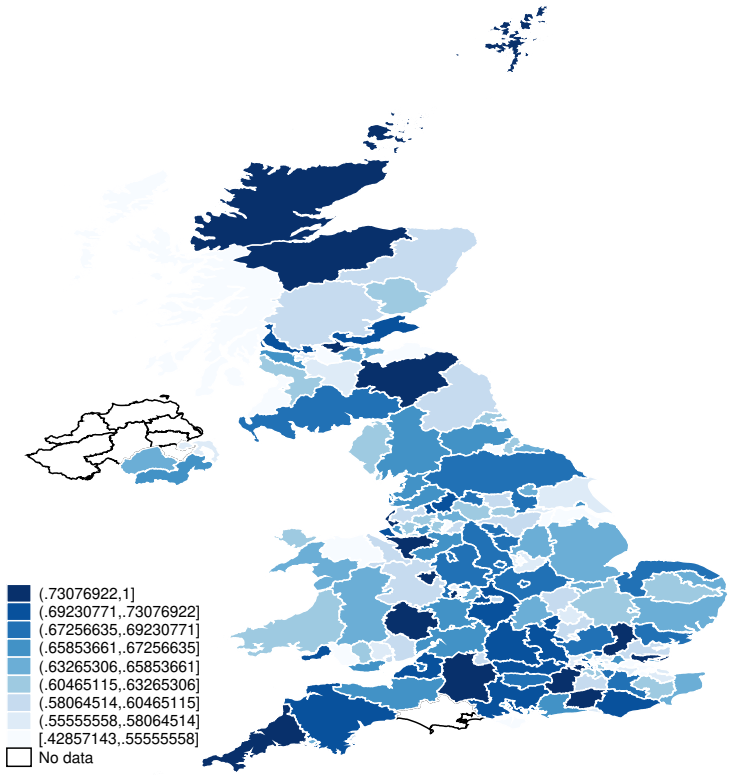
As with fintech adoption discussed earlier, the figure reveals meaningful regional variation. Online banking use is generally higher in economically dynamic regions such as London and the South East, as well as in areas with stronger digital infrastructure and younger population profiles. In contrast, several regions with older demographics or more rural settlement patterns display relatively lower digital banking engagement.

These patterns intersect with the geographic distribution of building society branch networks. Regions where building societies maintain a stronger physical presence often coincide with areas where digital adoption has historically been somewhat slower. This reflects the traditional customer base of many building societies, which includes households that value branch-based relationships and in-person service alongside digital channels.

However, this positioning may also create a strategic opportunity for building societies in the context of Open Banking. Because these institutions often enjoy high levels of customer trust and long-standing community ties, they may be well placed to support the gradual adoption of digital financial services among customers who might otherwise be hesitant to engage with fintech platforms or purely digital banks.

In this sense, building societies could serve as an important bridge between traditional banking relationships and emerging Open Banking ecosystems, helping to ensure that the benefits of digital financial innovation are distributed more evenly across regions and customer groups.

Figure 19: Online Banking Use



5 Open Banking in the UK

5.1 Open Banking Products

This section documents the availability of Open Banking products across major UK banks and building societies. By focusing on the number and type of APIs exposed by each institution, the section provides a descriptive overview of heterogeneity in Open Banking engagement. This institutional variation is central to the empirical analysis that follows, as differences in OB product scope and intensity may shape how banks respond to fintech adoption across regions and credit products.

5.1.1 Banks

Table 1 reports the availability of Open Banking APIs across major UK banks, grouped by functional category. The table highlights substantial heterogeneity in both the overall number of APIs and the composition of OB offerings across institutions. While several banks expose a broad range of APIs related to payments, accounts, identity verification,

and ancillary data services, engagement with credit-related Open Banking products is far more uneven.

NatWest Group exhibits the largest number of Open Banking APIs overall, reflecting a broad-based digital strategy that spans payments, identity, data services, and ancillary functionalities. However, its exposure to credit-related APIs is limited, suggesting that its Open Banking engagement is oriented primarily toward transaction processing, customer onboarding, and distribution rather than direct integration of third-party data into credit underwriting. This broad but relatively shallow exposure is consistent with a strategy focused on improving origination efficiency and customer experience at scale.

HSBC stands out in a different dimension. Although it offers fewer APIs in total than NatWest, HSBC is by far the most active provider of credit-related Open Banking products, accounting for the majority of such APIs among UK banks. This concentration indicates a strategic emphasis on integrating Open Banking data directly into lending and credit assessment processes. As a result, HSBC appears uniquely positioned to use Open Banking as a tool for underwriting transformation and credit selection rather than solely for payments or account aggregation.

Other large banks, including Barclays, Lloyds Banking Group, and Santander, expose relatively few Open Banking APIs overall and virtually no credit-related endpoints. These institutions' Open Banking engagement is concentrated in payments and basic account services, consistent with regulatory minimums rather than proactive expansion into credit-focused use cases. Smaller and challenger banks similarly display limited credit API exposure, despite in some cases offering a moderate number of APIs in other functional categories.

Overall, Table 1 illustrates that Open Banking adoption among UK banks is not only uneven in scale but also differentiated in scope. In particular, the distinction between broad Open Banking engagement and credit-intensive Open Banking engagement emerges as a key institutional feature that may shape banks' lending responses to fintech adoption.

5.1.2 Building Societies

Table 2 reports Open Banking API availability for a set of UK building societies. Compared to commercial banks, building societies exhibit substantially lower levels of Open Banking engagement across all functional categories. The total number of APIs exposed by building societies is small, and none of the institutions listed provide credit-related Open Banking products.

The limited Open Banking presence among building societies reflects their distinct business models and regulatory orientations. Building societies typically emphasise relationship-

Table 1: Open Banking API Availability by UK Bank

Bank	Payments	Accounts	Credit	Trading	Identity	Data	Other	Total APIs
NatWest Group	17	3	1	3	12	14	13	63
HSBC	23	7	12	2	1	0	8	53
RBS	7	5	0	0	15	3	6	36
Ulster Bank	6	5	0	0	13	3	6	33
Virgin Money	10	9	0	0	5	0	0	24
Clydesdale Bank	6	9	1	0	3	0	0	19
Yorkshire Bank	7	9	0	0	3	0	0	19
Barclays Bank	6	2	0	0	1	0	8	17
Bank of Scotland	7	1	0	0	0	1	4	13
Lloyds Banking Group	7	1	0	0	0	1	3	12
Allied Irish Bank	3	2	0	0	1	3	2	11
Citi Consumer	4	1	2	1	0	2	1	11
Halifax	6	1	0	0	0	0	4	11
Santander	4	1	0	0	0	0	4	9

based retail banking, conservative risk management, and traditional mortgage lending funded primarily through retail deposits. In this context, the incentives to expose extensive Open Banking infrastructure, particularly credit-related APIs that facilitate third-party data integration, are weaker than for large commercial banks.

The absence of credit-related Open Banking products among building societies is especially notable given their prominence in the UK mortgage market. This pattern suggests that building societies rely predominantly on internal data, established affordability frameworks, and relationship-based screening rather than fintech-enabled underwriting. As a result, their lending activity may be less directly influenced by regional fintech adoption and Open Banking–driven competition, a conjecture that is consistent with the more homogeneous lending patterns documented in later sections.

Table 2: Open Banking API Availability by UK Building Society

Building Society	Payments	Accounts	Credit	Trading	Identity	Data	Other	Total APIs
Nationwide	2	2	0	0	1	0	5	10
Coventry	2	1	0	0	0	0	4	7
Yorkshire	2	1	0	0	3	0	0	6
Cumberland	2	1	0	0	0	0	0	3

5.2 Open Banking and Postcode-Level Lending

This section examines how postcode-level lending evolves across regions with differing levels of fintech adoption. It also aims to provide an analysis of how trends may have evolved following the introduction of Open Banking in the UK in 2018. By combining granular geographic lending data of HSBC, Nationwide and NatWest with regional fintech adoption measures, we document heterogeneous patterns in mortgage and personal

loan growth across banks. The analysis is descriptive and focuses on indexed lending series, allowing comparisons of relative growth across fintech terciles within each institution. The results highlight substantial cross-bank heterogeneity, suggesting that Open Banking and fintech adoption interact with banks' business models and product strategies in shaping local credit outcomes.

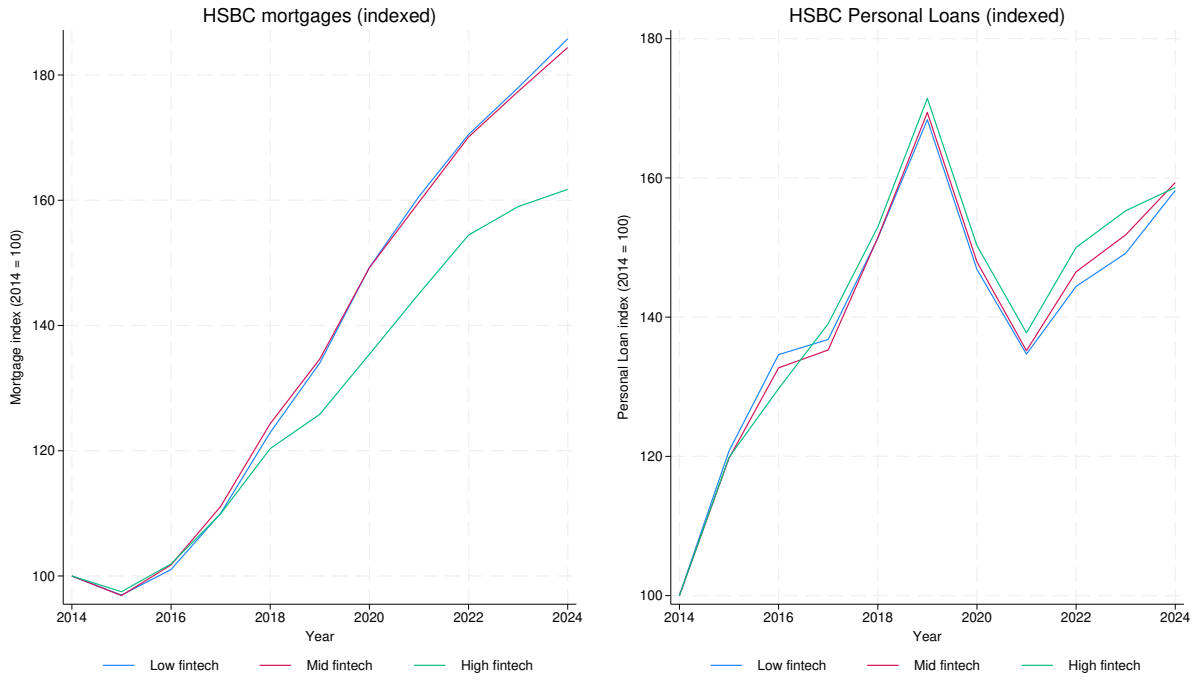
5.2.1 HSBC

HSBC occupies a distinctive position in the UK Open Banking landscape. While NatWest exposes the largest total number of APIs, HSBC stands out for the depth of its credit-related Open Banking engagement. With twelve credit service APIs, it is by far the most active provider of credit-focused Open Banking products among UK banks.

Figure 20 shows that HSBC's mortgage lending growth diverges clearly across fintech adoption terciles. From 2018 onward, mortgage growth in high-fintech regions persistently lags behind that in low- and mid-fintech regions, with the gap widening over time. By contrast, personal loan growth exhibits no comparable gradient. The trajectories across fintech terciles are closely aligned, and by the end of the sample the indices converge. The mortgage pattern indicates that HSBC's expansion has been systematically weaker in regions characterised by higher fintech engagement. Given HSBC's extensive credit-related Open Banking infrastructure, this divergence is unlikely to reflect technological limitations. Instead, it suggests that in highly digitalised regions, where borrowers are more likely to use comparison platforms, broker channels, and fintech-enabled switching mechanisms, mortgage competition may be more intense. In such environments, Open Banking may enhance transparency and mobility rather than entrench incumbency. HSBC's credit-focused APIs may facilitate underwriting efficiency, yet the observed pattern is consistent with selective growth in mortgage markets where competitive pressure is less intense. In unsecured lending, however, the absence of a fintech gradient implies that enhanced data integration supports expansion uniformly across regions, without generating the same competitive pressure.

Figure 21 adds a second dimension by grouping regions according to HSBC's relative branch share. Mortgage growth is strongest in regions where HSBC has a lower branch presence and weakest where its branch presence is highest. This inverse relationship between physical dominance and growth is stable over time. When viewed alongside the fintech results, this suggests that HSBC's mortgage expansion is not concentrated in either digitally saturated regions or areas where it already commands a large physical footprint. Rather, growth appears comparatively stronger in markets where both digital intensity and physical dominance are moderate. This pattern is consistent with a

Figure 20: HSBC Lending by Regional Fintech Adoption

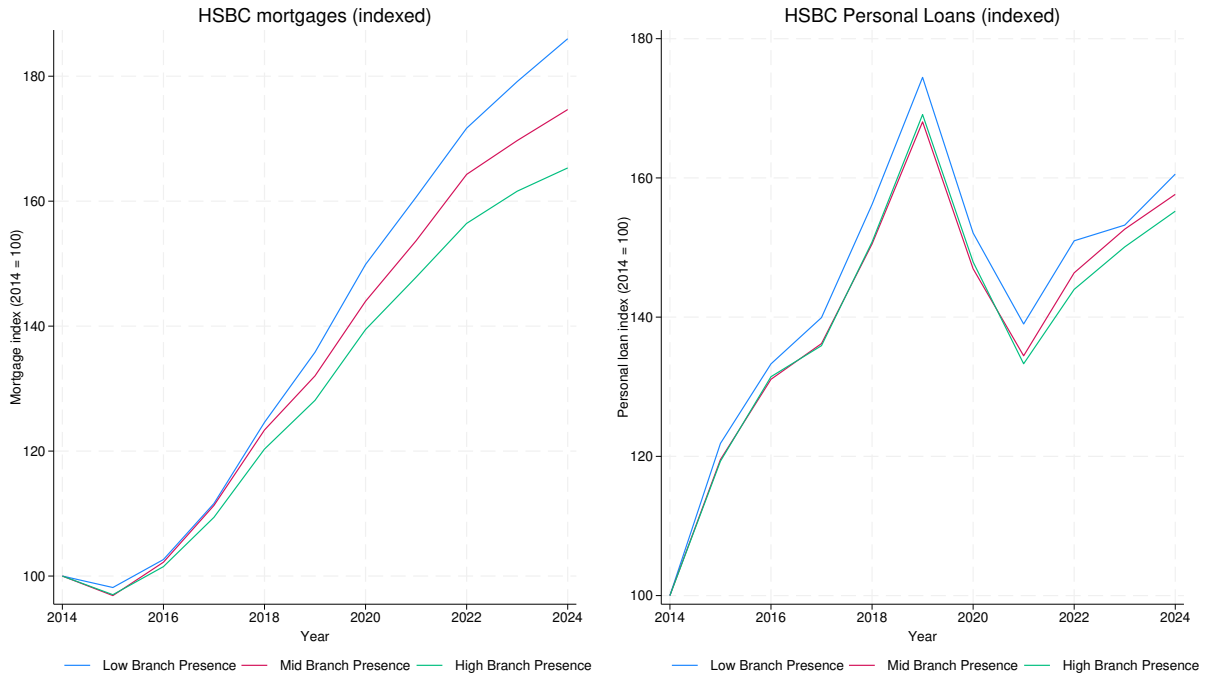


reallocation mechanism. HSBC's credit-intensive Open Banking capabilities may allow it to compete effectively outside its traditional branch strongholds, while growth in high-branch-share regions may be constrained by saturation or portfolio balancing considerations.

The personal loan results display less sensitivity to branch share, mirroring the fintech adoption findings. This reinforces the interpretation that unsecured lending is increasingly decoupled from physical infrastructure and more reliant on digital underwriting capabilities. In this segment, HSBC's substantial credit API exposure may lower informational frictions across all regions, supporting relatively uniform growth irrespective of local branch density.

Taken together, the evidence indicates that HSBC's extensive credit-related Open Banking engagement interacts with regional competitive conditions in a differentiated manner. In mortgages, digital intensity and physical dominance appear to moderate growth, consistent with heightened competition and saturation effects. In personal loans, by contrast, Open Banking capabilities appear to support expansion without strong regional differentiation. The contrast underscores that the effects of Open Banking are product-specific and mediated by both digital adoption and physical market structure.

Figure 21: HSBC Lending by Regional Branch Share



5.2.2 Nationwide

Nationwide's position in the Open Banking landscape differs markedly from that of HSBC. While it exposes a limited number of Open Banking APIs overall, it does not provide credit-related Open Banking endpoints. Its Open Banking engagement is concentrated in payments, accounts, identity, and ancillary services rather than credit underwriting. This institutional configuration suggests that Nationwide's lending strategy is less directly shaped by Open Banking–enabled credit data integration.

Figure 22 presents Nationwide's lending growth across regions grouped by fintech adoption. In the mortgage market, a clear ordering emerges. Growth is strongest in high-fintech regions, followed by mid-fintech regions, with low-fintech regions consistently lagging. This gradient is persistent over time and economically meaningful. Unlike HSBC, Nationwide does not exhibit weaker mortgage growth in digitally advanced areas. Instead, high-fintech regions appear to coincide with stronger mortgage expansion. Given Nationwide's limited credit-focused Open Banking exposure, this pattern is unlikely to reflect strategic reallocation driven by advanced digital underwriting. Rather, it is consistent with demand-side dynamics that high-fintech regions are often urban, economically active, and characterised by greater housing market turnover. Nationwide's

mortgage growth in these regions therefore appears to reflect underlying market conditions rather than differentiated digital strategy.

In personal loans, fintech differentiation is more muted. Although high-fintech regions exhibit somewhat stronger growth around the peak period, the trajectories converge over time and differences narrow substantially after the post-pandemic adjustment. This suggests that fintech adoption does not fundamentally reshape Nationwide's unsecured lending growth. The absence of credit-related Open Banking products reinforces the interpretation that personal lending expansion remains largely driven by traditional underwriting frameworks and broad macroeconomic conditions rather than digital intensity.

Figure 22: Nationwide Lending by Regional Fintech Adoption

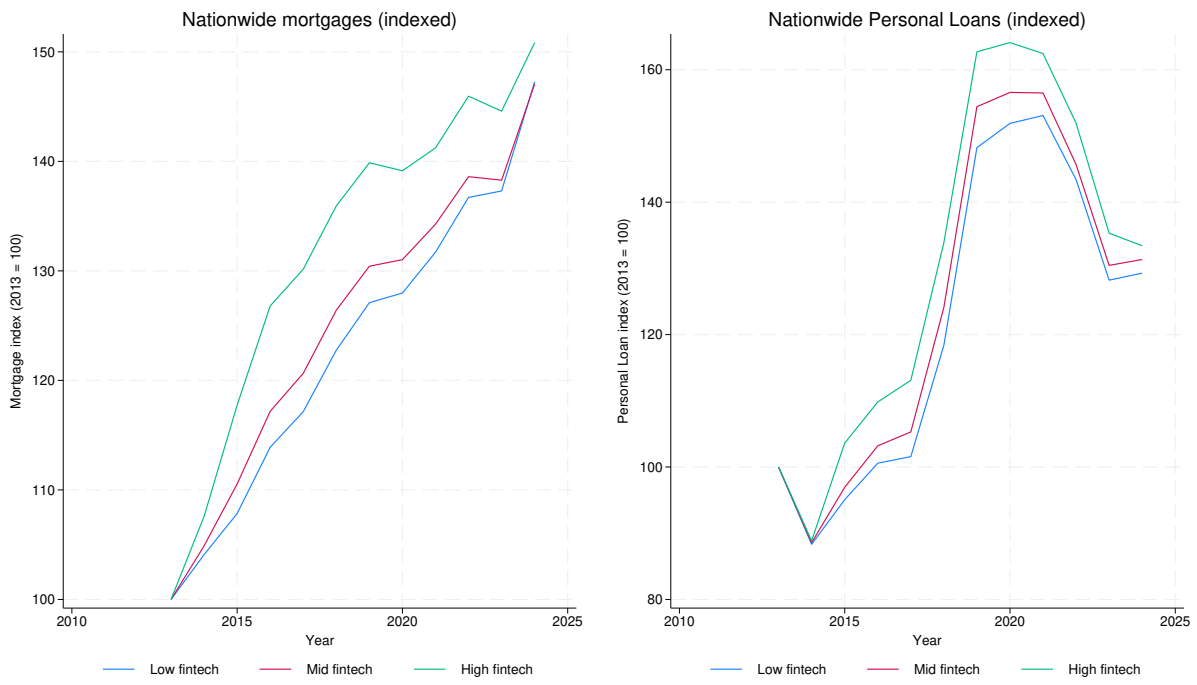
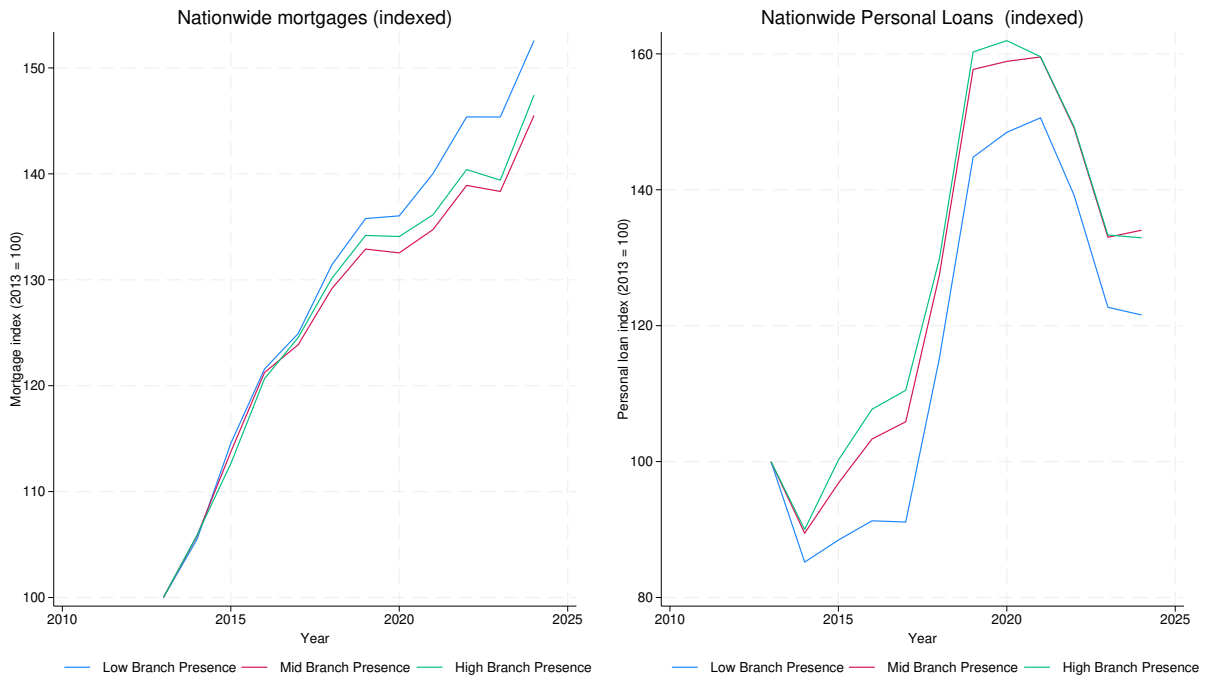


Figure 23 introduces the branch-share dimension. In mortgages, growth is strongest in regions where Nationwide has a lower branch share and weakest where its branch presence is highest. This inverse relationship indicates that mortgage expansion has been more dynamic outside Nationwide's traditional physical strongholds. Regions where Nationwide already commands a large share of branches display comparatively flatter growth, consistent with saturation or portfolio-balancing effects. In regions with lower physical presence, mortgage growth has been more pronounced, suggesting that expansion is occurring at the margin rather than through reinforcement of dominant local posi-

tions.

Personal loan growth exhibits a similar though more volatile pattern. Regions with lower branch share show stronger growth during the expansion phase but also sharper contraction following the peak. By contrast, regions with higher branch presence display more moderate expansion and less severe retrenchment. This pattern suggests that unsecured lending outside Nationwide's core physical markets may be more cyclical, whereas lending in branch-dense regions may be comparatively stable.

Figure 23: Nationwide Lending by Regional Branch Share



Taken together, the fintech and branch-share evidence indicates that Nationwide's lending allocation remains primarily shaped by market fundamentals and geographic saturation rather than Open Banking intensity. Mortgage growth aligns with economically dynamic, fintech-active regions, but this appears to reflect underlying housing demand rather than digital reallocation. At the same time, stronger growth in low-branch-share regions suggests expansion beyond established strongholds rather than reinforcement of physical dominance. In contrast to HSBC, whose credit-intensive Open Banking engagement coincides with selective mortgage growth, Nationwide's limited Open Banking exposure corresponds to patterns that are more consistent with traditional retail banking dynamics and portfolio management considerations.

5.2.3 NatWest

NatWest differs from both HSBC and Nationwide in its Open Banking profile. It exposes the largest total number of APIs among UK banks, indicating broad digital engagement across payments, identity, data services, and related functionalities. However, its credit-related Open Banking exposure is limited relative to HSBC. This distinction of having a broad Open Banking intensity without deep credit API specialisation is central to interpreting NatWest's lending patterns.

Figure 24 presents NatWest's lending growth by regional fintech adoption. In the mortgage market, a clear and monotonic ordering is evident. Growth is strongest in high-fintech regions, followed by mid-fintech regions, with low-fintech regions consistently lagging. The divergence is stable over time and economically meaningful. Unlike HSBC, NatWest does not display weaker growth in digitally advanced areas. Instead, mortgage expansion appears amplified in regions characterised by higher fintech engagement. This pattern is consistent with the interpretation that NatWest's broad Open Banking infrastructure enhances origination efficiency and customer experience in digitally active markets. In high-fintech regions, where broker penetration, digital search, and comparison usage are likely more prevalent, NatWest's digital capabilities may improve throughput and responsiveness, translating into stronger volume growth.

In personal loans, however, the fintech gradient operates in the opposite direction. Growth is strongest in low-fintech regions and weakest in high-fintech regions. Although the differences are smaller than in mortgages, the ordering is persistent. This suggests that in unsecured lending, high-fintech regions may be associated with stronger competitive pressure from fintech lenders or alternative credit providers. NatWest's limited credit-specific Open Banking exposure may constrain its ability to differentiate underwriting in these digitally intense markets, leading to relatively weaker expansion compared to less fintech-saturated regions.

Figure 25 introduces the branch-share dimension. In mortgages, growth is strongest in regions where NatWest maintains a mid-level branch presence, while both low- and high-branch-share regions exhibit slightly weaker but similar trajectories. This non-monotonic pattern suggests that mortgage expansion is not concentrated solely in physical strongholds. Regions where NatWest already dominates may exhibit saturation effects, while regions with minimal branch presence may rely more heavily on competitors' physical infrastructure. The mid-branch-share regions may represent markets where NatWest combines sufficient physical presence with competitive headroom, allowing digital capabilities to amplify growth.

In personal loans, the branch-share gradient is clearer. Growth is strongest in re-

Figure 24: NatWest Lending by Regional Fintech Adoption

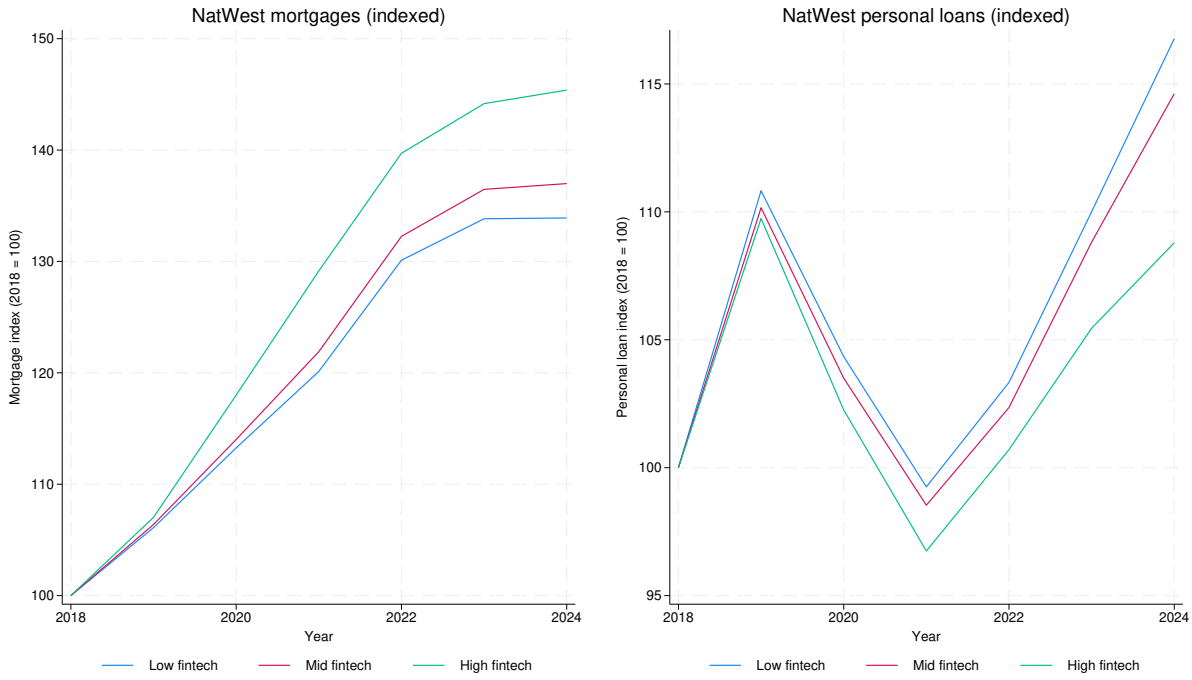
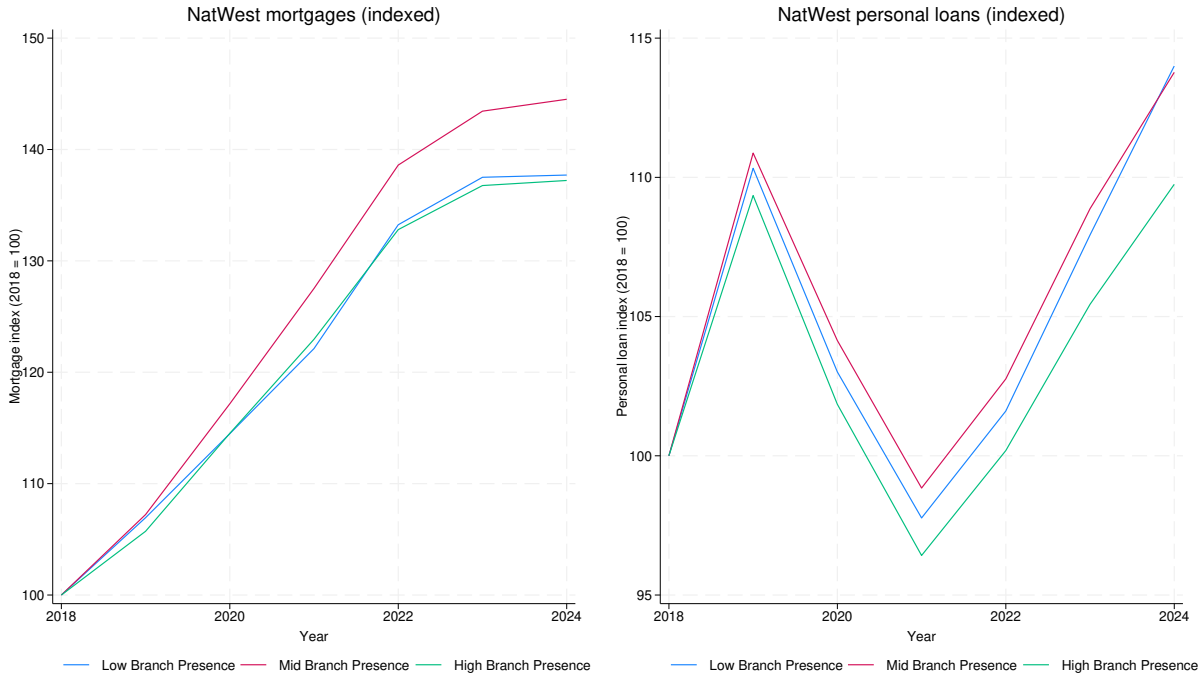


Figure 25: NatWest Lending by Regional Branch Share



gions where NatWest has a lower branch share and weakest where branch presence is highest. This inverse relationship indicates that unsecured lending expansion has been relatively stronger outside the bank's physical strongholds. Given the broader but non-credit-focused nature of NatWest's Open Banking engagement, this pattern is consistent with digital channels supporting lending beyond traditional branch networks, particularly in consumer credit markets.

Overall, the NatWest evidence suggests a complementary relationship between broad Open Banking engagement and geographic allocation. In mortgages, digital intensity appears to amplify growth in fintech-active regions, consistent with improved distribution and customer onboarding. In personal loans, however, high-fintech regions are associated with relatively weaker growth, potentially reflecting heightened competition from alternative digital lenders. The branch-share results further indicate that physical presence does not strictly anchor expansion; rather, digital infrastructure appears capable of supporting growth beyond established branch strongholds. Compared to HSBC's credit-intensive Open Banking strategy and Nationwide's limited digital exposure, NatWest's broad but less credit-focused Open Banking engagement corresponds to a distinct spatial pattern in both mortgage and unsecured lending.

5.2.4 Discussion

The combined evidence from fintech adoption and branch-share analyses reveals that Open Banking interacts with regional credit allocation in institution-specific and product-specific ways. The three institutions (two large banks and the largest building society) examined display distinct spatial lending patterns that align closely with differences in the scale and scope of their Open Banking engagement.

HSBC, which stands out for its intensive exposure to credit-related Open Banking APIs, exhibits weaker mortgage growth in high-fintech regions and in areas where it maintains a large branch share. At the same time, its personal loan growth is comparatively uniform across regions. This configuration suggests that HSBC's credit-focused Open Banking infrastructure may facilitate underwriting scalability in unsecured lending while encouraging selective expansion in mortgages. In digitally advanced and branch-dense markets, where competition and price transparency are likely strongest, mortgage growth is more subdued. The pattern is consistent with a strategy that leverages Open Banking for underwriting efficiency and portfolio allocation rather than for aggressive volume expansion in highly contested segments.

Nationwide, in contrast, exposes relatively few Open Banking APIs and none related to credit services. Its mortgage growth is strongest in high-fintech regions but also more

pronounced in areas where its branch share is lower. These patterns suggest that Nationwide's lending allocation is driven more by underlying housing market dynamics and geographic saturation than by digital strategy. The absence of credit-related Open Banking products corresponds to a spatial profile that remains anchored in traditional retail banking fundamentals. Growth appears to occur outside established strongholds rather than through strategic reallocation in response to fintech intensity.

NatWest presents a third configuration. With the largest total number of Open Banking APIs but limited credit-specific exposure, it combines broad digital infrastructure with a more moderate underwriting transformation. Mortgage growth is strongest in high-fintech regions, suggesting that digital capabilities enhance origination and distribution in technologically active markets. In personal loans, however, growth is relatively weaker in high-fintech regions and stronger where branch presence is lower, indicating that unsecured lending may face intensified competition in digitally saturated areas. The branch-share evidence further suggests that digital channels enable expansion beyond traditional physical footprints without necessarily reinforcing branch dominance.

Across all three financial institutions, two broader themes emerge. First, the impact of Open Banking is not uniform across credit products. Mortgages, which are margin-sensitive and structurally competitive, exhibit stronger spatial differentiation than personal loans. Second, Open Banking intensity shapes lending patterns differently depending on whether it is concentrated in credit-related APIs or dispersed across broader digital services. Credit-intensive engagement, as in HSBC's case, is associated with selective mortgage growth and stable unsecured expansion. Broad but less credit-focused engagement, as in NatWest's case, aligns with stronger mortgage growth in fintech-active regions but more mixed outcomes in personal lending. Limited Open Banking exposure, as observed for Nationwide, corresponds to patterns more consistent with traditional geographic and portfolio dynamics.

Overall, the evidence suggests that Open Banking does not simply increase or decrease lending in digitally advanced regions. Rather, it appears to reshape the spatial allocation of credit in ways that depend on institutional strategy, product characteristics, and the interaction between digital intensity and physical market structure.

5.3 Open Banking and Financial Inclusion

Figure 26, Figure 27 and Figure 28 examine how lending evolves across regions characterised by different levels of difficulty in accessing physical bank branches. These results provide a complementary perspective to the earlier analysis based on fintech adoption

and branch share, as they capture the extent to which digital financial infrastructure may substitute for physical access. Interpreting these patterns in light of Open Banking, especially after the period of its introduction in the UK in 2018, is particularly relevant for understanding its potential role in improving financial inclusion, especially in regions where physical banking services are less readily available.

A consistent pattern emerges in mortgage lending. For HSBC and Nationwide, mortgage growth is stronger in regions with higher difficulty in accessing bank branches. The divergence is persistent and economically meaningful, with high-difficulty regions outperforming low-difficulty regions throughout the post-2018 period. This suggests that mortgage lending has expanded more rapidly in areas where physical access is constrained. For HSBC, which exhibits the strongest exposure to credit-related Open Banking APIs, this pattern is consistent with digital channels supporting mortgage origination in areas where branch infrastructure is limited. The availability of credit-related APIs may facilitate underwriting and customer assessment without requiring in person interactions, allowing the bank to extend mortgage lending into less physically served regions.

Nationwide, despite its limited Open Banking exposure and absence of credit-related APIs, displays a similar pattern in mortgages, with stronger growth in high-difficulty regions. This suggests that factors beyond Open Banking are also at play. In particular, the expansion may reflect housing demand dynamics in regions with fewer branches or a strategic shift toward areas where competition from other lenders is less intense. However, the similarity in patterns between HSBC and Nationwide indicates that reduced reliance on physical infrastructure is not confined to financial institutions with advanced Open Banking capabilities.

NatWest presents a different pattern in mortgage lending. Growth is stronger in regions with lower difficulty in accessing branches, with high-difficulty regions lagging behind. This suggests that NatWest's mortgage expansion remains more closely aligned with areas that are better served by physical infrastructure. Given that NatWest has a large number of Open Banking APIs but relatively limited exposure to credit-specific APIs, this pattern is consistent with a model in which digital capabilities support distribution and customer interaction, but do not fully substitute for branch-based lending in mortgages. The absence of strong growth in high-difficulty regions indicates that Open Banking, in the absence of deep credit integration, may be insufficient to overcome the constraints associated with limited physical access.

The patterns for personal loans differ in important ways. Across all three banks, differences between high- and low-difficulty regions are considerably smaller and less persistent than in mortgages. HSBC exhibits near convergence between the two groups over

time, suggesting that unsecured lending is largely independent of physical access. This is consistent with the idea that personal loans can be originated and underwritten through digital channels with minimal reliance on branch infrastructure, particularly for banks with strong credit-related Open Banking capabilities.

Nationwide's personal loan growth shows a somewhat stronger response in high-difficulty regions during the expansion phase, although the differences narrow in the later period. This indicates that unsecured lending may provide a more flexible channel for reaching customers in regions with limited physical access, even for institutions with limited Open Banking engagement. NatWest's personal loan patterns are broadly similar across regions, with only modest differences between high- and low-difficulty areas, further supporting the view that unsecured lending is less dependent on physical infrastructure.

Taken together, the evidence suggests that the relationship between Open Banking, physical access, and lending varies by both institution and product. In mortgages, which typically involve more complex underwriting and larger loan sizes, the ability to extend credit into regions with limited branch access appears to depend in part on the nature of Open Banking engagement. HSBC's strong performance in high-difficulty regions is consistent with its extensive credit-related API infrastructure, while NatWest's weaker performance in these regions suggests that broader but less credit focused Open Banking may not fully substitute for physical presence. Nationwide's results indicate that expansion into high-difficulty regions can also occur without extensive Open Banking, likely reflecting market structure and demand conditions.

In personal lending, however, the role of Open Banking appears more uniform. Across all three banks, lending growth shows limited sensitivity to branch access difficulty, indicating that digital channels can effectively support unsecured credit provision across regions. This pattern is consistent with a view of Open Banking as an enabling technology that reduces reliance on physical infrastructure, particularly in segments where underwriting can be standardised and automated.

Overall, the findings suggest that Open Banking has the potential to support financial inclusion by facilitating lending in regions with limited physical access to banking services. However, its impact is not uniform across institutions or credit products. The extent to which digital infrastructure can substitute for physical presence appears to depend on the depth of integration into credit processes, as well as on the inherent characteristics of the lending segment.

Figure 26: HSBC Lending by Regional Branch Access Difficulty

Figure 27: Nationwide Lending by Regional Branch Access Difficulty

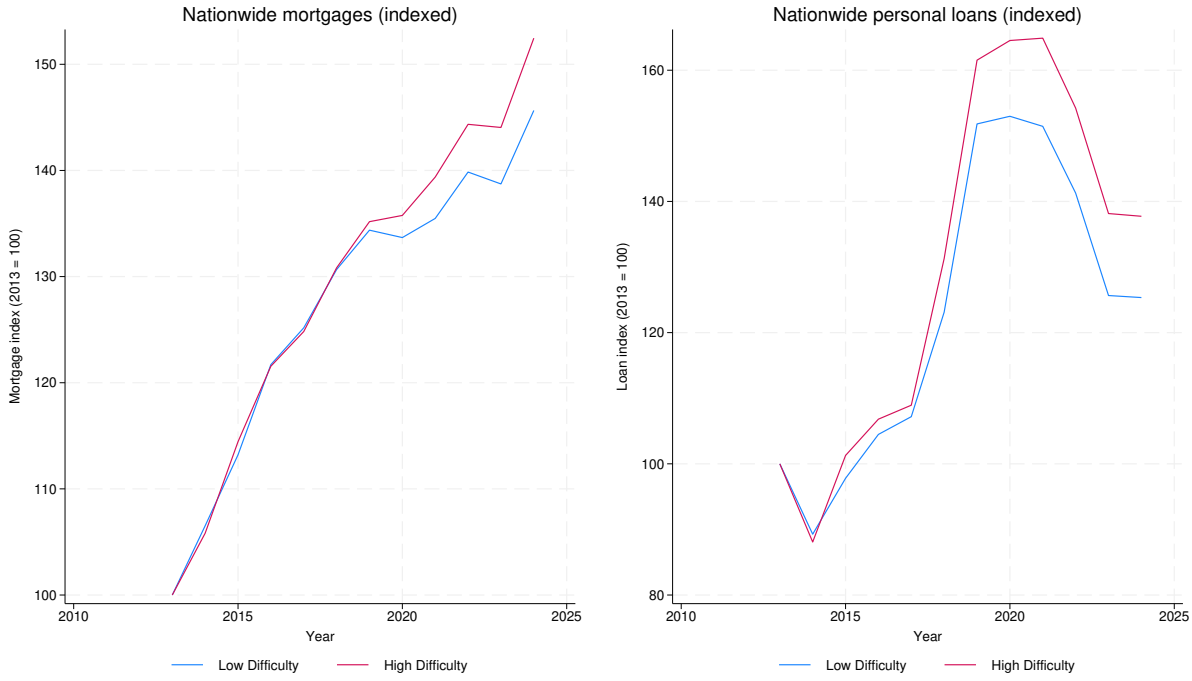
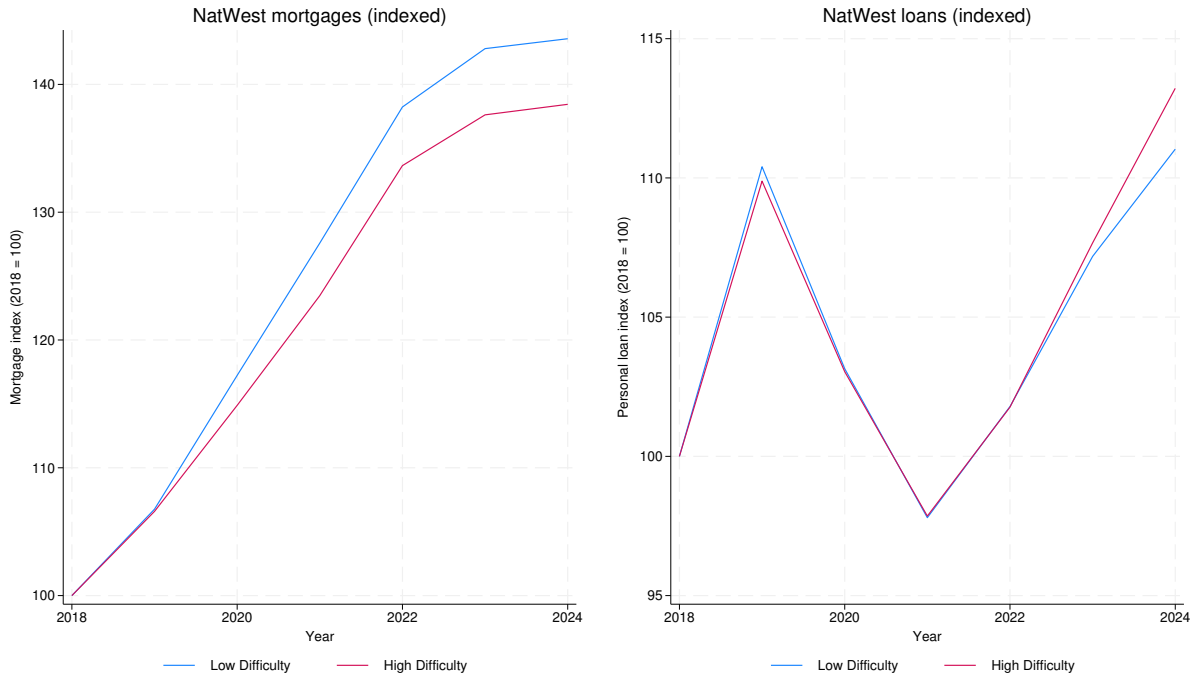


Figure 28: NatWest Lending by Regional Branch Access Difficulty



5.4 Open Banking and Bank Mortgage Product Offerings

5.4.1 Interest Rates

This section examines differences in mortgage product offerings between Open Banking adopters and non-adopters using Moneyfacts data.

Figure 29 presents the evolution of average mortgage rates for institutions with and without Open Banking adoption. The series shows broadly similar trends over time, with both groups experiencing a gradual decline in rates from 2011 to the late 2010s, followed by a sharp increase from 2022 onwards in line with tightening monetary conditions. Prior to 2017, the difference between the two groups is relatively small and stable. However, from around 2017 onwards, the period coinciding with the rollout of Open Banking in the UK, a more persistent gap begins to emerge, with Open Banking adopters offering lower mortgage rates on average. This gap continues and becomes more pronounced in the subsequent years, particularly during the post-2021 period of rising interest rates.

The timing of this divergence is consistent with the introduction of Open Banking regulation, suggesting that adoption may be associated with increased pricing competitiveness. One possible interpretation is that Open Banking enhances information flows and reduces search and switching costs, thereby intensifying competitive pressures and

encouraging institutions to offer more attractive pricing. Alternatively, the observed pattern may reflect selection effects, whereby more technologically advanced or competitively oriented institutions were both earlier adopters of Open Banking and more likely to offer lower rates. While the figure does not establish causality, the alignment between the widening gap and the timing of Open Banking implementation is suggestive of a meaningful relationship between digital adoption and mortgage pricing dynamics.

Figure 29: Mortgage Rates

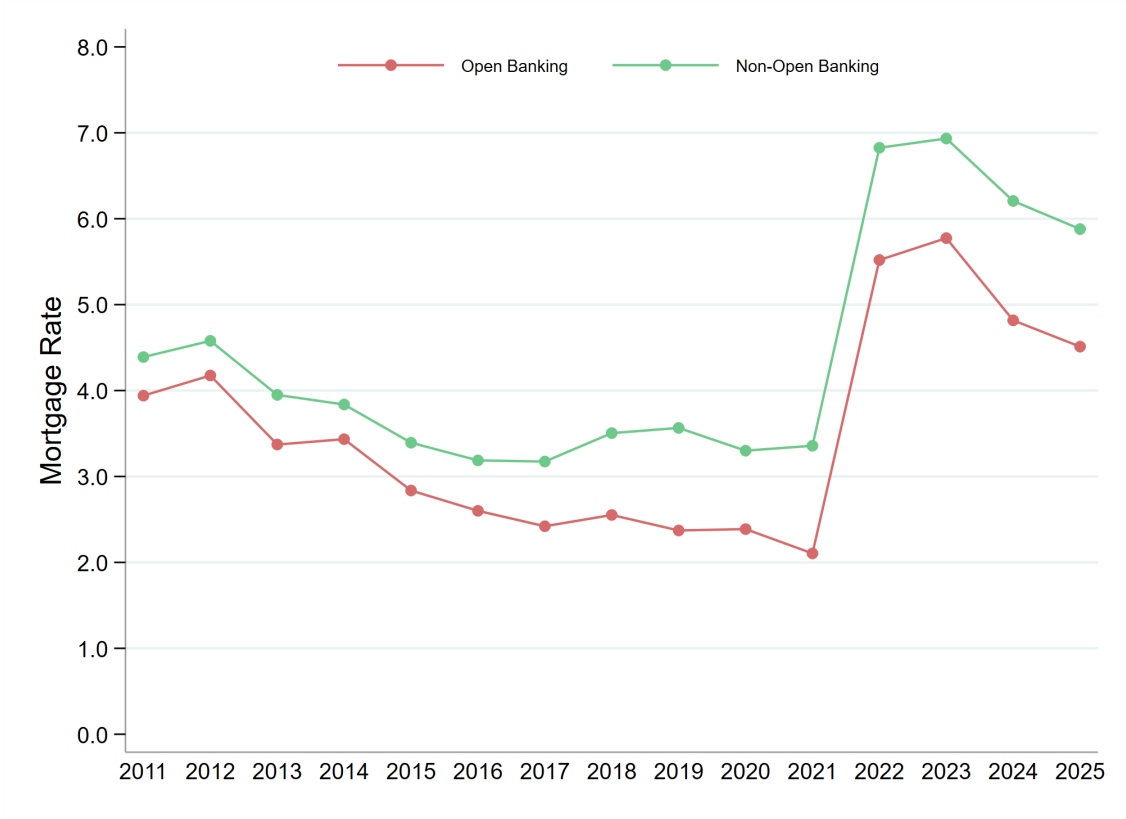
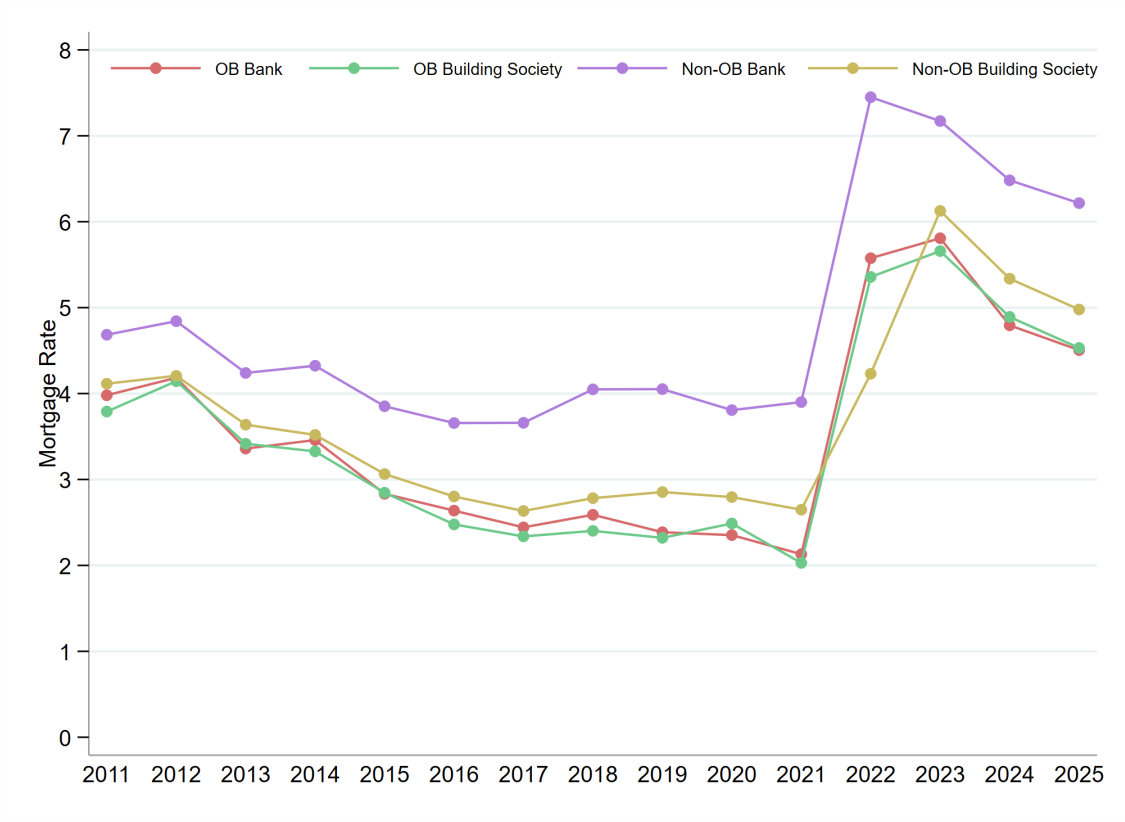


Figure 30 extends this analysis by distinguishing between banks and building societies within the Open Banking and non-Open Banking groups. The results reveal clear heterogeneity across both adoption status and institutional type. Non-Open Banking banks consistently exhibit the highest average mortgage rates, particularly from 2022 onwards, while Open Banking banks are positioned below them. Building societies, in both groups, tend to offer lower rates overall, with Open Banking building societies typically at the lower end of the distribution. The gap between Open Banking and non-Open Banking institutions becomes more pronounced in the post-2017 period and widens further following the interest rate increases after 2021.

This pattern reinforces the earlier evidence that Open Banking adoption is associated

with more competitive pricing, but also highlights that institutional form remains an important determinant. Banks that have not adopted Open Banking appear to charge the highest rates, while building societies, especially those adopting Open Banking, remain the most price competitive.

Figure 30: Mortgage Rates



5.4.2 Access

This section examines how Open Banking relates to access to mortgage products along two dimensions: 1) Access for borrowers with minor impairments in their credit history, and 2) Access through digital distribution channels, measured by the share of online-only products.

Figure 31 presents the share of products that are available to borrowers with minor past financial issues. A clear pattern emerges: non-OB institutions consistently offer a substantially higher share of such products. While the difference is present throughout the sample period, it becomes significantly more pronounced after 2018. In contrast, OB institutions exhibit a low and largely stable share of products targeting borrowers with minor credit impairments.

This suggests that OB institutions do not materially change their approach to this borrower segment following the introduction of Open Banking. Given that these institutions already possess extensive internal data on customer behaviour, their screening capabilities are unlikely to be significantly enhanced by the reform. As a result, their product design remains focused on lower risk segments.

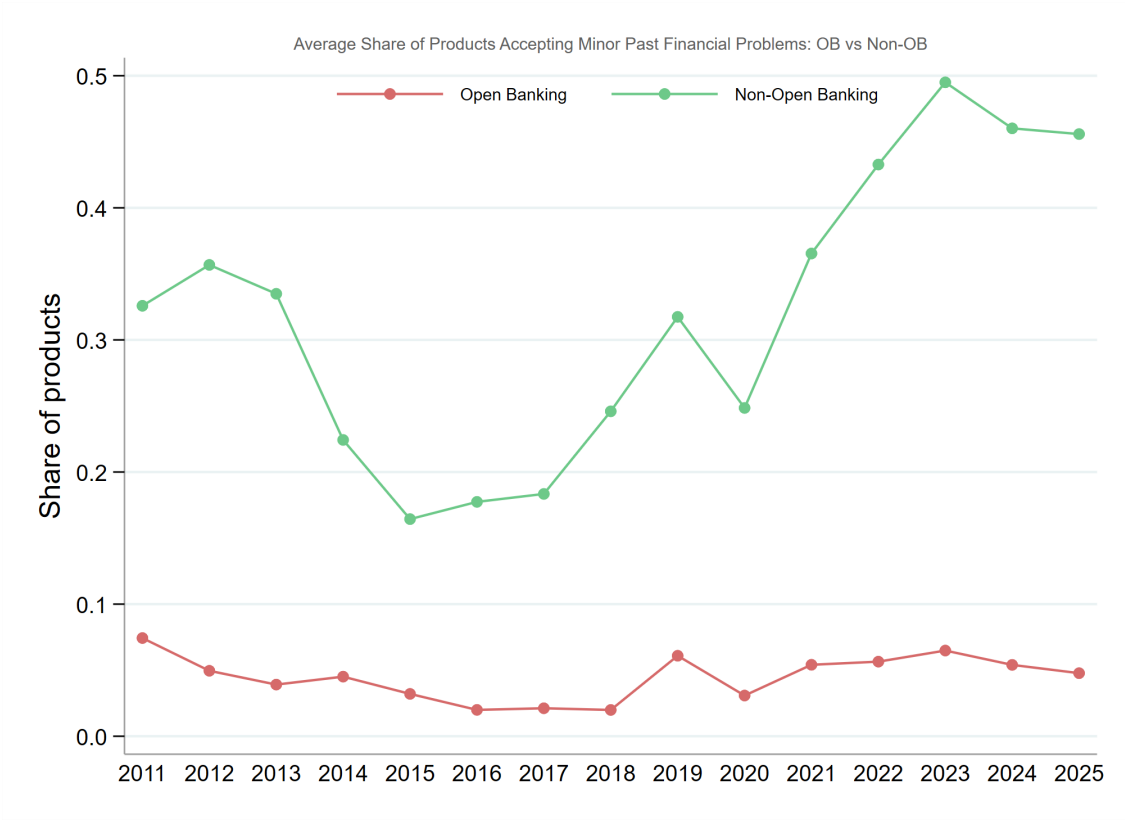
In contrast, non-OB institutions expand their offerings to borrowers with minor credit impairments. One plausible explanation is that these institutions are able to use customer consented Open Banking data to improve risk assessment. Access to transaction level information allows them to better distinguish between borrowers with temporary financial issues and those with more persistent credit risk. This enables them to extend credit to a broader set of applicants while maintaining acceptable risk levels.

Figure 32 complements this by examining the share of online-only mortgage products. Here, a different but related pattern emerges. Both OB and non-OB institutions increase their use of online channels over time, but the increase is substantially stronger among non-OB institutions, particularly after 2018. OB institutions exhibit a more gradual and limited increase in online-only products.

Taken together, these results suggest that non-OB institutions respond to the Open Banking environment by expanding both the accessibility of their products and the channels through which these products are offered. They increase their presence in segments characterised by minor credit impairments and simultaneously expand digital distribution. OB institutions, by contrast, show relatively limited adjustment along both dimensions.

Overall, Open Banking appears to be associated with an expansion in access driven primarily by non-OB institutions, both in terms of borrower eligibility and product availability through online channels.

Figure 31: Mortgage Products Available for Credit Impaired

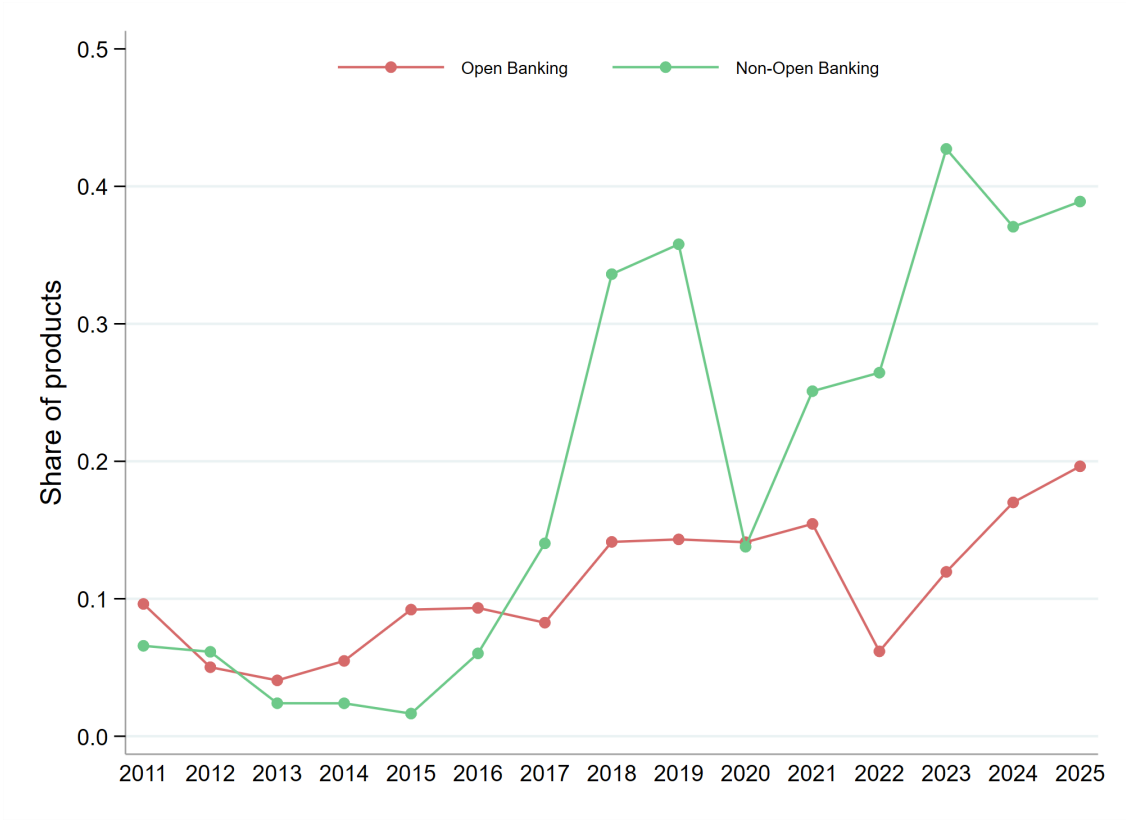


6 Open Banking in the World

Table 3 presents cross-country variation in the average number of publicly available Open Banking APIs per product category, as classified and standardised by Platformable. The ranking reveals substantial heterogeneity in both the breadth and functional composition of Open Banking ecosystems. India stands out with a markedly higher total number of APIs than any other jurisdiction in the sample, followed by the US at a considerable distance. A second tier includes Singapore, Brazil, and the UK, while several European jurisdictions cluster in the middle range. At the lower end of the distribution, countries such as Italy, Australia, and Norway exhibit relatively limited API exposure across categories.

The distribution across product categories provides further insight into the structure of Open Banking development. India combines high values in payments, accounts, and credit services, suggesting a deep integration of digital financial infrastructure across both transactional and lending functions. The US displays a more diversified profile, with notable strength in payments, data services, and trading-related APIs, consistent with a

Figure 32: Online-only Products



market-driven expansion of financial technology platforms. In contrast, many European jurisdictions show moderate exposure in payments and accounts but comparatively limited development in credit services and insurance. This pattern reflects the regulatory foundations of Open Banking under PSD2, which prioritised access to payment accounts while leaving broader financial products outside the initial scope.

The position of the UK is particularly informative. Although widely regarded as a regulatory pioneer in Open Banking, the total number of APIs places it below India and the United States and broadly comparable to Brazil. This suggests that institutional leadership does not necessarily translate into the largest number of product endpoints. The UK exhibits moderate exposure across payments, accounts, identity, and data services, with some presence in credit services, but not at the scale observed in India. The UK profile appears consistent with a standardised and structured Open Banking regime in which interoperability and compliance may limit proliferation of product categories while maintaining functional depth within core services.

At the lower end of the distribution, Australia, Norway, and Italy report relatively limited API exposure across most categories. In these cases, API availability appears

concentrated in payments and accounts, with minimal presence in credit, trading, or data services.

Overall, the table documents clear cross-country variation in both the scale and distribution of Open Banking APIs. The ranking highlights a small group of jurisdictions with substantially higher API counts, followed by a broad middle tier and a limited exposure group at the lower end.

Table 3: Average Open Banking APIs per Product Category by Country

Country	Payments	Accounts	Loyalty	Credit	Insurance	Trading	Identity	Data	Other	Total
India	5.4	3.3	0.0	5.3	0.0	0.2	2.5	0.4	2.5	19.7
United States	3.6	2.1	0.0	1.1	0.0	1.6	1.1	2.1	2.9	14.4
Singapore	2.9	0.9	0.0	1.2	0.0	0.4	0.2	0.8	1.3	7.7
Brazil	2.1	0.7	0.0	0.7	0.0	0.1	0.7	0.5	1.7	6.5
United Kingdom	2.4	1.3	0.0	0.4	0.0	0.2	0.9	0.3	1.0	6.5
Portugal	3.8	1.8	0.0	0.0	0.0	0.0	0.1	0.0	0.3	6.0
France	1.7	1.2	0.0	0.3	0.2	0.0	0.9	0.0	1.5	5.8
Ireland	2.3	1.0	0.0	0.2	0.0	0.1	0.7	0.5	0.6	5.3
Spain	2.7	1.2	0.0	0.3	0.0	0.1	0.6	0.1	0.2	5.1
Poland	2.4	1.2	0.0	0.5	0.0	0.1	0.3	0.1	0.3	5.0
Sweden	1.6	1.2	0.0	0.1	0.1	0.3	0.5	0.6	0.5	4.8
Belgium	1.7	1.2	0.0	0.4	0.1	0.1	0.8	0.1	0.2	4.6
Netherlands	1.7	1.1	0.0	0.5	0.0	0.1	0.6	0.2	0.3	4.6
Romania	2.0	0.9	0.0	0.0	0.0	0.0	0.5	0.3	0.2	3.9
Czech Republic	1.3	1.0	0.0	0.4	0.0	0.1	0.5	0.2	0.3	3.8
Denmark	1.3	0.7	0.0	0.0	0.0	0.0	0.6	0.1	0.1	2.8
Norway	0.7	0.5	0.0	0.0	0.0	0.0	0.7	0.0	0.7	2.6
Australia	0.2	0.4	0.0	0.2	0.0	0.1	0.1	0.0	1.5	2.4
Italy	0.7	0.4	0.0	0.1	0.0	0.0	0.2	0.0	0.1	1.5

Notes: Values represent the average number of publicly available Open Banking APIs per product category per country, as classified and standardised by Platformable.

Table 4[2] presents cross-country variation in the average number of publicly available Open Banking APIs among mutual institutions (these are building societies in the UK), broken down by product category and classified according to the Platformable taxonomy. The table reveals noticeable heterogeneity in both the breadth of API provision and the functional scope of Open Banking services across countries.

Importantly, the results reported in Table 4 reflect only the subset of building societies and cooperative institutions that have adopted Open Banking APIs. In most jurisdictions, this represents only a small fraction of the overall population of mutual and cooperative financial institutions. Many smaller building societies and cooperative banks have not

[2]Banks included in this analysis: France - Banque Populaire, BRED Banque Populaire, Caisse d'Epargne, Confédération Nationale du Crédit Mutuel, Credit Cooperatif, Credit Mutuel Arkea. Spain - Banco Cooperativo Espanol, Caixa Guissona, Caixa Ontinyent, Caja Arquitectos, Caja de Ingenieros, Colonya, Eurocaja Rural, Fiare Banca Etica, Grupo Caja Rural, Grupo Cooperativo Cajamar, Laboral Kutxa. Italy - Banca Popolare di Sondrio, Gruppo BCC Iccrea.

yet implemented Open Banking infrastructure, either because adoption remains voluntary for institutions outside the largest banks or because the required technological and compliance investments are substantial relative to their size. Consequently, the figures presented in the table should not be interpreted as representative of the mutual sector as a whole, but rather as describing the limited group of institutions within that sector that have engaged with Open Banking. This distinction is important when assessing the broader digital transformation of cooperative finance, as the majority of mutual institutions remain outside the current Open Banking ecosystem.

The UK stands out with a substantially higher total number of APIs than the other countries in the sample. With an average of 6.5 APIs, UK building societies display a significantly more developed Open Banking ecosystem compared with their counterparts in France, Spain, and Italy. In contrast, continental European countries exhibit markedly lower totals, with France reporting 4.5 APIs on average, Spain 4.1, and Italy 3.0. This pattern suggests that the Open Banking infrastructure among UK building societies is considerably more extensive and diversified.

The distribution across product categories provides further insight into the structure of API development. Across all countries, the highest values are observed in payments and accounts APIs, which reflects the core requirements of the PSD2 framework. Payments APIs range from 2.0 to 2.8 across countries, while account-related APIs remain consistently present. This concentration indicates that the implementation of Open Banking among building societies largely centres on the regulatory obligations to provide access to payment initiation and account information services.

Beyond these core categories, the UK demonstrates a broader expansion of Open Banking functionality. UK building societies report meaningful API availability in identity services and in other ancillary endpoints, suggesting a more mature ecosystem in which Open Banking infrastructure supports a wider range of financial and data-sharing applications. In contrast, France and Spain show more limited diversification. France shows small levels of activity in credit and identity APIs, while Spain's activity outside payments and accounts is limited to identity APIs; neither country records any trading APIs. Italy displays the most restricted profile, with API availability concentrated almost entirely in payments and accounts and virtually no presence in the remaining categories.

The final column of Table 4 reports the total number of Open Banking APIs provided by building societies as a percentage of total industry APIs. This provides a simple measure of the relative involvement of building societies in the Open Banking ecosystem. The figures show that building societies account for only a small share of overall API provision, despite their important role in the UK mortgage market. Even in the UK, where

building societies are most developed, their contribution remains limited compared to the broader banking sector. The data reveals that UK Building Societies, in comparison to other large European markets such as France (17.8 percent) and Spain (9.3 percent), constitute only a smaller share (4.8 percent) of all APIs adopted in the UK Open Banking system.

Table 4 highlights that Open Banking infrastructure is still largely concentrated among commercial banks. As a result, the ability to shape data-driven financial services, including credit assessment and product innovation, is likely to be driven primarily by institutions with larger API footprints. For building societies, this relatively low level of participation suggests that Open Banking is not yet a central component of their operating model, and that their influence within the evolving data sharing ecosystem remains constrained.

Overall, the table highlights substantial cross-country variation in the scope of Open Banking implementation among building societies. The UK occupies a clear leading position in both the number and diversity of APIs, while building societies in France, Spain, and Italy appear to focus primarily on core PSD2 compliance. These findings suggest that national regulatory frameworks, institutional structures, and the maturity of fintech ecosystems may play an important role in shaping the development of Open Banking infrastructure across jurisdictions.

Table 4: Open Banking API Availability by European Building Societies

Country	Payments	Accounts	Credit	Trading	Identity	Data	Other	Average APIs	% of Industry
United Kingdom	2.0	1.3	0.0	0.0	1.0	0.0	2.3	6.5	4.8%
France	2.5	1.0	0.2	0.0	0.7	0.0	0.2	4.5	17.8%
Spain	2.8	1.0	0.0	0.0	0.3	0.0	0.0	4.1	9.3%
Italy	2.0	1.0	0.0	0.0	0.0	0.0	0.0	3.0	4.6%

7 Conclusion and Policy Implications

This report has examined how Open Banking is shaping lending patterns, product offerings, and financial inclusion in the UK with a particular focus on building societies. The findings highlight that Open Banking is contributing to structural changes in retail banking, although its impact remains uneven across different types of institutions. Several key conclusions emerge. First, Open Banking is associated with increased competition and innovation in financial services, particularly through the expansion of fintech activity and the growing use of data-driven lending and customer engagement tools. This has the potential to improve access to finance, especially for underserved borrowers, by reducing information asymmetries and enabling more tailored credit assessment.

Second, the evidence points to important differences in how institutions engage with Open Banking. Large commercial banks tend to exhibit broader and more advanced Open Banking infrastructures, including greater use of APIs and more active integration of data into lending and product development. By contrast, building societies show more limited and heterogeneous engagement, with Open Banking activity often concentrated in payments and account-related services rather than credit-focused applications. This reflects their traditional business model, which prioritises relationship-based lending, conservative risk management, and a strong focus on mortgage markets.

Third, the regional and demographic analysis suggests that building societies continue to play a vital role in supporting access to finance across different parts of the UK. Their strong local presence and customer relationships position them as key actors in promoting financial inclusion. However, the interaction between this traditional model and emerging digital infrastructures remains an important area of transition, with potential risks of uneven adoption across regions and customer groups.

Overall, these findings point to a number of policy implications.

For building societies, the results highlight the importance of developing a clear and strategic approach to Open Banking. While the current level of engagement reflects structural and business model considerations, there are opportunities to leverage Open Banking more actively to enhance customer experience, improve operational efficiency, and support more inclusive lending.

In particular, selectively integrating data-driven tools into credit assessment and customer onboarding processes could help strengthen competitiveness while remaining consistent with mutual principles. At the same time, building societies may benefit from collaborative approaches, such as shared infrastructure, partnerships with fintech firms, or sector-wide initiatives, to overcome scale and resource constraints.

For policymakers and regulators, the findings underline the need to ensure that Open Banking frameworks remain inclusive and proportionate. This includes supporting smaller institutions in accessing and implementing Open Banking infrastructure, avoiding regulatory or technical burdens that disproportionately affect mutuals, and promoting interoperability and standardisation across the ecosystem. There is also a role for continued efforts to build consumer trust and awareness, which remain key barriers to adoption.

For the broader financial system, including fintech firms and technology providers, the results highlight the importance of developing solutions that are compatible with a diverse range of institutional models. Building societies represent an important segment of the market, and solutions tailored to their needs, particularly in areas such as mortgage lending, savings products, and regional engagement, can help maximise the inclusive potential of Open Banking.

Overall, Open Banking presents both opportunities and challenges for the UK financial system. Its long-term impact will depend not only on technological adoption but also on how effectively different types of institutions are able to adapt and integrate these developments into their business models. Ensuring that this transition supports competition, innovation, and financial inclusion in a balanced way will be critical for the future evolution of retail banking in the UK.

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8 Appendix

8.1 Data Sources

8.1.1 BankFocus

We use the BankFocus database to obtain bank-level financial information for UK banks and building societies. BankFocus provides standardised balance sheet and income statement data compiled from regulatory filings and financial statements, allowing consistent comparison across financial institutions and over time.

From BankFocus, we collect annual data on total loans and their main components, including mortgage lending, consumer credit, corporate loans, and other lending categories. These variables are used to construct time series of lending activity across different types of financial institutions, including commercial banks, building societies, and fintech banks. The dataset also provides key financial indicators such as non-performing loan (NPL) ratios and cost-to-income ratios, which allow us to examine differences in asset quality and operational efficiency across institutions.

The BankFocus data cover the period from 2005 to 2024 and form the basis for the aggregate lending trends documented in Section 3.

8.1.2 FCA Financial Lives Survey

To capture consumer-level financial behaviour and financial inclusion outcomes, we use the Financial Lives Survey conducted by the Financial Conduct Authority (FCA). The survey is a nationally representative dataset covering UK adults and provides detailed information on financial product usage, financial capability, digital engagement, and consumer experiences with financial services.

The survey includes a wide range of variables that allow us to construct measures of fintech adoption and financial inclusion. In particular, we use survey responses related to online banking usage, fintech-enabled financial services, reported difficulty accessing bank branches, and experiences of having a financial product application declined. These variables allow us to examine regional patterns in financial inclusion and digital financial engagement. The survey data also include geographic identifiers that enable aggregation at the regional level, allowing us to map financial inclusion and fintech adoption across UK regions.

The analysis uses three waves of the Financial Lives Survey conducted in 2017, 2020, and 2022, performed as a repeated cross-section. Pooling these three waves yields a combined sample of more than 40,000 individuals across the United Kingdom. This large

sample size allows us to examine regional variation in fintech adoption, digital banking use, and financial inclusion outcomes with a high level of geographic coverage.

8.1.3 Geolytix Branch Locations Data

To analyse the geographic distribution of bank branches, we use branch location data provided by Geolytix, a commercial provider of retail location datasets. The dataset contains detailed geographic coordinates for physical branches of UK banks and building societies.

As of October 2025, the dataset includes 4,163 open bank branches[3], excluding temporary locations such as mobile branches or short-term service pods. Among these branches, 1,158 (approximately 28%) belong to building societies, reflecting the continued importance of mutual institutions in the UK retail banking landscape.

Using the geographic coordinates of each branch, we compute the regional distribution of banking presence and calculate the share of branches belonging to building societies in each region. These measures are used to analyse regional variation in building society presence and its relationship with fintech adoption and financial inclusion outcomes.

8.1.4 Platformable Open Banking Data

To measure institutional engagement with Open Banking, we use data compiled by Platformable, a fintech research firm that tracks Open Banking API availability across financial institutions. The dataset records the number and types of Open Banking APIs offered by individual banks, grouped by functional category such as payments, accounts, identity verification, data services, and credit-related functionality.

This information allows us to compare the extent of Open Banking infrastructure across UK banks and building societies and to identify differences in the scope of their Open Banking offerings. In particular, the data reveal substantial heterogeneity in the number of APIs exposed by different institutions and highlight the limited availability of credit-related Open Banking APIs among building societies.

These data are used in Section 5.1 to document variation in Open Banking engagement across UK institutions, and in Section 6 for the cross-country comparisons.

[3]Please check Appendix 8.2 for the details of the banks and building societies included in the database.

8.1.5 Moneyfacts Banking Products Data

We use the Moneyfacts database to obtain detailed product-level information on mortgage offerings by UK banks and building societies. Moneyfacts provides comprehensive coverage of retail financial products, including interest rates, fees, and product characteristics, allowing for consistent comparison of pricing across institutions and over time.

From Moneyfacts, we collect annual data on mortgage products over the period 2011 to 2025. The dataset includes information on average mortgage interest rates and associated product fees, which we aggregate at the institution-type level to construct time series of mortgage pricing. This allows us to compare pricing behaviour across banks and building societies, as well as between institutions that have adopted Open Banking and those that have not. These data form the basis for the analysis of mortgage rates and product access presented in Section 5.4.

8.2 List of Banks and Building Societies included in Geolytix Data

8.2.1 Banks

Allied Irish Bank, Bank of Ireland, Bank of Scotland, Barclays, Clydesdale Bank, The Co-operative Bank, Coutts, Danske, Halifax, Handelsbanken, HSBC, Lloyds, M&S Bank, Metro Bank, NatWest, Royal Bank of Scotland, Santander, TSB, Ulster Bank, Virgin Money, Yorkshire Bank

8.2.2 Building Societies

Coventry, Leeds, Nationwide, Skipton, West Bromwich, Yorkshire, Cambridge, Leek, Monmouthshire, Newbury, Nottingham, Newcastle, Principality, Cumberland, Progressive