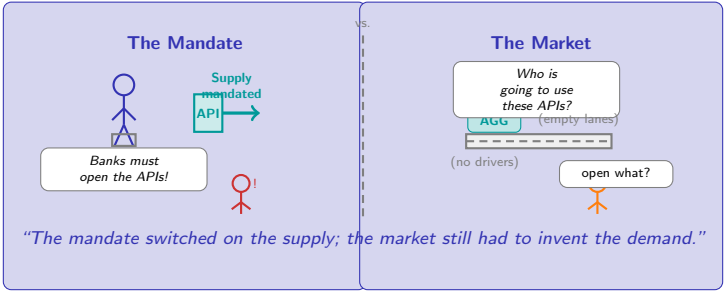
Open Banking Business Models

The regulator turned on the supply — now who builds the demand?

Digital Finance

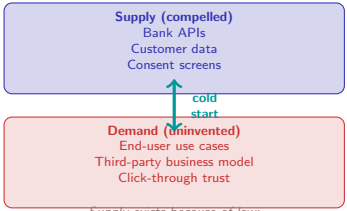

The Mandate
Supply mandated
API
Banks must open the APIs!
!
vs.
The Market
Who is going to use these APIs?
AGG
(empty lanes)
(no drivers)
open what?
"The mandate switched on the supply; the market still had to invent the demand."

Why Does a Regulator Mandate Supply the Market Did Not Yet Demand?

The Regulated-Platform Paradox
Open banking is unusual: most platforms emerge because one side of the market is desperate to reach the other. Here, a regulator drew a line and required incumbents to expose interfaces before any appreciable third-party demand existed. Supply was compelled; the demand curve had to be discovered afterwards.

- **Supply side:** the bank is a reluctant exporter of its own customer data; the API exists because the licence requires it.
- **Demand side:** third-party providers must first invent a use case compelling enough for the end-customer to grant consent.
- **The cold-start problem:** without volume, the API is a compliance artefact; without trust, end-users will not click through.

The business-model question of open banking is therefore not about building a classic platform. It is about monetising a platform the regulator built for you — and that your biggest supply-side partners would rather see fail.



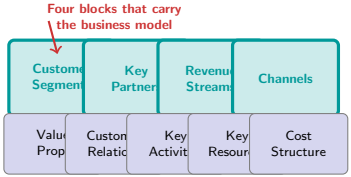
Osterwalder BMC anchor — the Value Proposition block must be built for both the licensed supplier and the third-party consumer before the Revenue Streams block has content.

What Does a BMC Reveal About Who Pays for an API?

The Business Model Canvas Applied
Osterwalder's nine-block canvas reveals something strange about open banking aggregators: the party that pays is almost never the party whose data is moving. The end-customer consents; the bank supplies; the aggregator carries; the developer pays. Four blocks do the heavy lifting, and none is the Value Proposition.

- **Customer Segments:** the paying customer is a developer or downstream fintech, not the account-holder whose data is in motion.
- **Key Partners:** licensed banks whose participation is regulatory, not commercial — they rarely want the aggregator to win.
- **Revenue Streams:** per-call metering, tiered subscription, or premium-data access sold to the developer side.
- **Channels:** developer portals, SDKs, and documentation sites; marketing is technical, not retail.

The rest of the canvas (Value Proposition, Customer Relationships, Key Activities, Key Resources, Cost Structure) looks ordinary. The business model lives in the four blocks that handle the consent, carriage, and billing of someone else's data.



The party that pays is not the party whose data moves

Osterwalder BMC anchor — four BMC blocks; payer and account-holder are distinct.

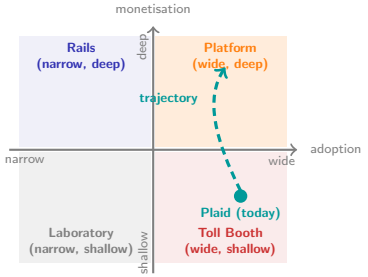
Which Quadrant Does Plaid Occupy — and Which One Does It Need to Reach?

The Plaid Position
Plaid (US-founded data-aggregator) wired itself into a large installed base of developer applications before the open-banking mandate had fully crystallised. That developer footprint is its platform-economics wedge — but wide developer adoption without a mature monetisation path leaves it in the Toll Booth quadrant, not the Platform quadrant where durable value accrues.

- **Wide developer reach:** many applications already depend on Plaid's connectors, creating a strong cross-side effect for late-arriving apps.
- **Immature monetisation path:** per-call pricing is easy to meter but easy to compete away; premium-data and identity overlays are the paths to higher take rates.
- **Chicken-and-egg solved only on one side:** the supply side is saturated with connectors; the demand side still needs enterprise sales to convert raw connectivity into packaged data products.

(In business-model language, a *moat* = a competitive advantage that rivals cannot easily copy.)

The platform-economics point: cross-side effects on connector count matter only until a competitor ships an equal-or-wider connector set; the durable moat is monetisation depth, not adoption breadth.



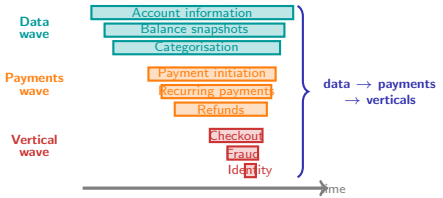
Platform-economics anchor — cross-side connector effects buy time; durable platform economics require the monetisation-path axis, not just the adoption axis.

Which Adjacent Data Products Does TrueLayer Add After the Raw Connector?

TrueLayer's Product-Stack Arc
TrueLayer (UK-founded open-banking aggregator) entered with the narrowest possible offering: a raw account-information connector. Everything it has added since sits adjacent to that connector and reuses the consent-and-carriage machinery built for the first product. The sequence is not arbitrary — each wave funds the compliance and operational capacity needed for the next.

- **Early wave (data):** account information, balance snapshots, categorisation. Read-only, lightest consent flow.
- **Middle wave (payments):** payment initiation, variable recurring payments, refunds. The same consent primitive, applied to a higher-risk action.
- **Late wave (verticals):** tailored e-commerce checkout, anti-fraud overlays, identity-binding products sold to regulated verticals that need both the data and the payment rail.

Unbundling = pulling one service out of a historical bundle and offering it alone; *rebundling* = stacking adjacent services back on. Clayton Christensen's disruptive-innovation thesis says entrants start narrow at the low-margin end and rebundle adjacent capabilities inward — cheap products come first to earn trust, margin-rich vertical packages come last.



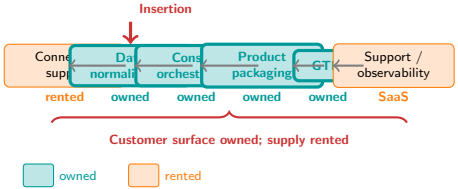
Christensen unbundling-rebundling anchor — TrueLayer's product ordering is the business model: each wave reuses consent machinery to fund the next wave's overheads.

Where in the Open-Banking Value Chain Does Tink Insert and Rebundle?

The Evans-Wurster Insertion
Tink (Swedish aggregator, now part of a card-network parent) sits in the middle of the open-banking chain: it is positioned between the mandated bank APIs and the downstream fintech-developer or enterprise customer. The chain it serves has six links, and Tink owns or rents each one differently.

- **Connector supply:** partnered with licensed banks, rented via compliance relationships.
- **Data normalisation:** owned — this is where raw statements become categorised cashflow signals.
- **Consent orchestration:** owned — the branded consent surface is a customer-experience asset.
- **Product packaging:** owned — bundled SDKs and vertical kits sold to enterprise customers.
- **Go-to-market distribution:** owned through direct enterprise sales; partner-led for niche verticals.
- **Support and observability:** SaaS-shared infrastructure, reused across every enterprise customer.

The rebundling pattern is distinctive: Tink owns every customer-facing link and rents only the raw connector supply from regulated banks. That inversion — owning the customer surface, renting the supply — is the open-banking aggregator's structural answer to the regulated-platform paradox.



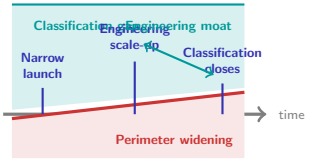
Evans-Wurster value-chain anchor — owning the customer surface and renting the regulated supply is the aggregator's structural answer to a mandated-supply platform.

Does Yapily's Bank-Agnostic Posture Convert Regulatory Neutrality Into a Moat?

Regulatory arbitrage = a firm earns profit specifically because it faces a lighter rulebook than its competitors, not because it is better at the underlying business. The advantage lasts only as long as the rulebook gap does.

The Arbitrage Clock

Yapily (UK-founded infrastructure-only provider) launched with a deliberately narrow proposition: pure connectivity, no end-user interface, no branded consent screen. That posture lets it serve enterprise buyers who would otherwise see a branded aggregator as a competitor. The regulatory arbitrage is not a rule-bending trick — it is a classification choice that keeps Yapily outside the perimeter that applies to aggregators who also serve end-users.



- **Entry window:** the narrow technical-services classification avoids the full stack of end-user-protection duties a branded aggregator would bear.
- **Adoption phase:** enterprise buyers prefer a supplier who will not later compete downstream for the end-customer.
- **Normalisation phase:** regulators and mandating frameworks widen scope; the narrow classification partly closes.
- **Moat conversion:** the compliance-light posture financed deep engineering investment in normalisation and uptime — that engineering stack is the barrier to the next entrant, and it remains after the classification gap closes.

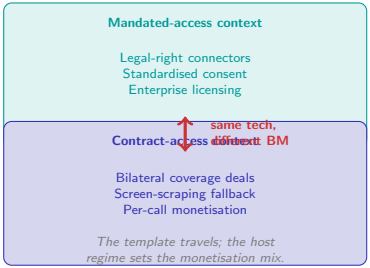
Regulatory-arbitrage anchor — the moat is not the classification gap; it is the engineering stack the gap-era cost base paid for.

Why Does Salt Edge Monetise Open Banking Differently in Europe Than in North America?

The Salt Edge Context Comparison
Salt Edge (Canadian-headquartered, serving a global aggregator footprint) operates the same connector stack in Europe and North America, but its business model looks different in each. The reason is not the technology or the team — it is the difference in how regulation frames the supply side and how buyers source the demand side in each host market.

- **Regulatory mandate depth:** where supervisory frameworks make connector access a legal right, aggregators compete on service quality; where access is contractual, aggregators compete on coverage.
- **Buyer concentration:** where a few large fintechs dominate demand, the aggregator monetises via enterprise licensing; where demand is fragmented, the aggregator monetises via self-serve per-call pricing.
- **Screen-scraping legacy:** markets with mature screen-scraping fallbacks are harder to monetise because customers can opt out of paying for connector access.
- **Consent-flow maturity:** markets with standardised consent surfaces lower the onboarding cost per developer; markets without them force every aggregator to rebuild the consent experience.

The context-dependency point: the same connector engineering earns a different BM in each host market. Salt Edge's template travels; the monetisation mix has to be re-engineered per region.

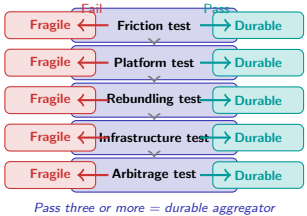


Context-dependency anchor — Salt Edge's connector engineering is portable; the monetisation mix is host-regime-specific.

Which Five Tests Predict Whether an Open-Banking Aggregator Creates Lasting Value?

The Five-Test Synthesis

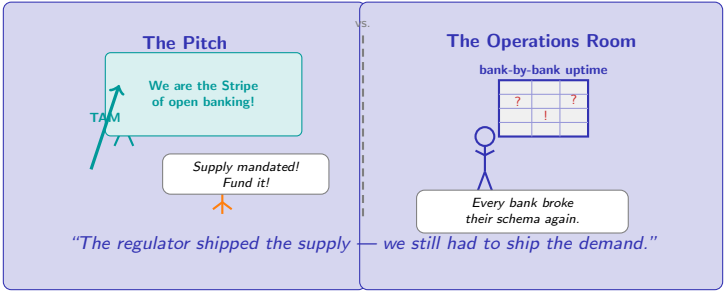
1. **Friction test:** does the aggregator remove an integration friction that actually costs developers money, or only a cosmetic one? A cosmetic wedge churns the moment a bank ships its own direct API.
2. **Platform test:** does the connector footprint create cross-side effects that tighten over time, or does each new bank require a separate enterprise negotiation?
3. **Rebundling test:** is the product ordering deliberate — data-first, payments-next, verticals-last — or opportunistic? Opportunistic ordering signals weak operational capacity.
4. **Infrastructure test:** does the aggregator build infrastructure the mandated-supply side cannot efficiently host, or merely a thin wrapper around the bank's own APIs?
5. **Arbitrage test:** is the regulatory classification being converted into a durable engineering stack, or is the classification gap simply closing without a stack to leave behind?



Pass three or more = durable aggregator

Aggregators that pass at least three of these five tests convert mandated supply into durable demand. The rest become compliance overhead for a market that never decided it wanted them.

Synthesis anchor — the five tests apply the BMC, platform, unbundling, value-chain, and arbitrage frameworks to a single aggregator in a single question each.


The Pitch
We are the Stripe of open banking!
TAM
Supply mandated! Fund it!
vs.
The Operations Room
bank-by-bank uptime
?
?
!
Every bank broke their schema again.
"The regulator shipped the supply — we still had to ship the demand."