

FUTURE

OF EUROPEAN FINTECH

PSD2-compliant access not subject to an alleged “screen scraping ban”

The **Future of the European Fintech Alliance**, now supported by 70 companies across all sectors of the Financial Services industry including banks, would like to clarify some points around the currently escalating discussion about the Direct Access of bank accounts using the so-called “screen scraping” methodology.

Bank lobby associations recently intensified their campaign against screen scraping in an attempt to keep the current EBA RTS in their favour. Addressing their concerns, we would like to state that:

Firstly, screen scraping is a well-established and well-working technology. It refers to the omnipresent and legal practice of machine-reading websites, an indispensable technology used by e.g. price comparison websites, web-portals and search engines such as Google. See [Wikipedia](#): “*Web scraping (web harvesting or web data extraction) is data scraping used for extracting data from websites.*” PSD2 does not prohibit this technology. Many Fintech services rely on machine-reading websites, notably also the banks’ own products - including German savings banks’ account consolidation service that claimed to be the “technology leader in screen scraping”.

Secondly, European fintechs have used screen scraping technology for 15 years and while hundreds of millions of payments and account aggregations have been done at the request of European consumers, there has to our knowledge to date not been one single instance of data leakage or compromise of credentials, despite the market not having been regulated.

Thirdly, there is no screen scraping ban. The EBA explicitly accepted already that Direct Access is PSD2-compliant, i.e. banks are allowed to rely on their online banking websites for granting Direct Access to the bank account (using screen scraping) in line with PSD2. The debate therefore is not whether Direct Access is legal, but whether those banks, who don’t like it, should be allowed to block it.

Fourthly, the bank campaign confuses “impersonation” and screen scraping and actually calls for an “impersonation ban”. However, no one proposes to allow impersonation any more. The obligation that TPPs have to identify themselves has long been accepted. This is beating a dead horse.

Fifthly, banks not only accept, but even require their customers to use third-party software provided by unregulated companies every time they log into their online banking. More specifically, customers have to use operating systems and web browsers based on closed-source code, which banks have no possibility to audit. In contrast, PSD2-licensed TPP software can and will be audited, i.e. cannot be abused. Could it be that the real concern here is not so much data security, but that the latter is used

to compete with the banks?

Finally, let's keep this discussion on a professional level. We can appreciate that banks are not amused about PSD2, but creating and spreading a video portraying soon-to-be-licensed, screen scraping Fintechs as Cybercriminals is going a few steps too far!

Looking at the facts instead, we conclude the following:

EBA proposed to grant banks the right to unilaterally block Direct Access if they offer a “dedicated interface”, i.e. a bank-owned API that non-banks would be forced to use. Opponents of that proposal, such as the **Future of the European Fintech Alliance** ([see Manifesto](#)) say that banks should not be given the powers of a “gatekeeper”, or otherwise competition and innovation would be stifled. And they highlight that PSD2 does not give banks this choice – instead PSD2 says that rules have to “*be compatible with the different technological solutions available*”.

Recital 93 PSD2 says on the role of RTS: *“It is necessary to set up a clear legal framework which sets out the conditions under which payment initiation service providers and account information service providers can provide their services with the consent of the account holder without being required by the account servicing payment service provider to use a particular business model, whether based on direct or indirect access, for the provision of those types of services. [...] Those regulatory technical standards should be compatible with the different technological solutions available.”* This does not leave room for blocking PSD2-compliant direct access, but instead obliges to protect it.

Consumers have the right to use their own data - in line with data portability (under Art. 20 GDPR) – and access their accounts with the help of TPP software, see Art. 66, 67 PSD2. This right cannot be blocked. Not even by the strongest banking lobby – one would hope.

Hence what the banks are actually fighting for is their right to **block PSD2-compliant access**, i.e. to block Direct Access in spite of TPPs offering identification in line with PSD2. PSD2 explicitly protects bank-independent Direct Access in order to defend access to market for non-banks. MEPs highlighted it was a core aim of PSD2 to protect that independent access. And according to the [German FCO](#) (that deals with a pertinent cartel case) market access can only be defended if Direct Access will be upheld. Accordingly, banks shall be obliged to accept the identification offered by TPPs where they rely on the online-banking websites to deliver their services.

The banks do not want that bank-independent access. Not even as a mere “fallback” where the bank’s “dedicated interface” is dysfunctional. Even where banks do not deliver, they still want to curtail Direct Access – depriving non-banks of any alternative whatsoever.

So what the banks ask for under the pretext of “screen scraping” is to exclude the currently available bank-independent access (which is the only reason why there is non-bank competition). Not surprisingly, the banks want to give themselves full control, rendering TPPs defenseless against obstruction and abuse. It would be the undoing of TPPs and Fintechs.

The **Future of the European Fintech Alliance** therefore speaks out for the defense of the Secure Authenticated Direct Access, which is the only way to protect European Fintechs, innovation and competition. See [Manifesto](#).