

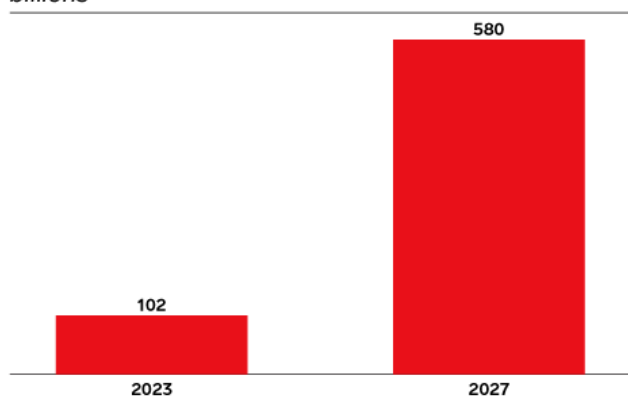
Open banking, alternative credit models drive US credit card digital account opening growth

Article

Innovative digital solutions can increase prospect conversion rates.

- **Open banking solutions allow for a more seamless account opening experience—and ultimately higher conversion rates.** The rapidly growing technology can verify a consumer’s identity in real time and prefill account data to minimize errors—getting applicants across the finish line faster. Mastercard uses the technology in its recently launched account owner verification tool in Europe, which automates the verification portion of the application process.

API Calls Generated by Open Banking Worldwide, 2023 & 2027
billions



Source: Juniper Research, "Open Banking: Opportunities, Competitor Leaderboard & Market Forecasts 2023-2027" as cited in press release, May 3, 2023

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- **While a threat to traditional issuers, modern card issuing is driving up the number of credit card account openings.** These platforms let nonfinancial players offer card programs through cloud-based application programming interfaces (APIs)—increasing consumers’ exposure to credit cards. The programs can also be customized to the needs of each business’s customers, improving conversion overall.
- **Solutions powered by generative AI (genAI) can also attract—and approve—more cardholders.** Marketers can use the tech to tailor product recommendations and promotions to personalize customers’ experiences. GenAI can also improve the accuracy of credit scoring models by creating robust synthetic data sets to bolster limited real-world data. This can lead to better approval rates for customers while minimizing risk for issuers.

What this means for issuers: To cost-effectively access these technologies, issuers should look to strike partnerships with providers. For example, they can partner with players like Mastercard for open banking, Marqeta for modern card issuing, or OpenAI for genAI.

Read the full report.

Report by Grace Broadbent Aug 04, 2023

US Credit Card Digital Account Opening Forecast 2023

