

OPEN BANKING AVAILABLE FROM CREDIT CARD COMPANIES

The FSC announced that open banking service will be available from mobile applications of major credit card companies starting from May 31.

Shinhan, KB Kookmin, Woori card companies will make their open banking services available from May 31, with Lotte, Samsung, Hyundai and Hana card companies expected to join from June to August this year.

Open banking was launched in December 2019 and has become widely in use. It has attracted some 80.2 million users cumulatively with more than 146.6 million accounts registered as of May 24, 2021.

With credit card companies now offering open banking services, consumers are able to check their account balances and make mobile money transfers by using mobile applications of credit card companies while checking their monthly credit card usage on a banking application.

Credit card companies will need to offer a more integrated financial service platform that provides the function of balance inquiry and mobile money transfer beyond their traditional payment-related services. In a similar vein, banks will now be able to develop a more customer-oriented business model that offers analysis on spending patterns, etc.

Beyond open banking, the FSC will pursue “open finance,” a mutual opening up of finance-related services by financial sectors and fintechs through standardized mechanisms. The authorities will continue to work on making improvements to open banking by exploring potential links to new services and other industries and seeking ways to expand open banking services and its functions.

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For press inquiry, please contact Foreign Media Relations at fsc_media@korea.kr.