

BYALLACCOUNTS® • OPEN BANKING OVERVIEW

# About Open Banking and Why You Need to Reauthenticate Access to Your Financial Accounts

## What Is Open Banking?

Open banking is a concept that refers to the sharing of financial information and data between banks and third-party financial service providers, at the direction of and with the explicit consent of the account holders. Open banking allows you to share your financial data transparently and more securely with other authorized third-party providers like your financial advisor or applications of your choosing. Leveraging open banking connections, you no longer share your account credentials with a financial data aggregator. Instead, you are redirected to your financial institution to provide your credentials and consent to share your financial information with your third-party provider of choice. This data may include details about the banking and investment products you have, as well as your transactions and balances.

## Why Is Open Banking Important for Advisor/Client Relationships?

Open banking empowers you to have a holistic view of your financial situation, including investments, and allows you to have more control and transparency over the information that you share with your financial advisor. With open banking, wealth management platforms can more securely connect to various financial institutions and gather real-time data on your bank accounts, credit cards, loans, and investments, leveraging the latest security and regulatory standards. This consolidated view allows for a clearer understanding of your financial picture, enabling more accurate assessments and personalized recommendations. It provides your financial advisor with the information they need to act in your best interest.

## What Are the Key Benefits of Open Banking for You?

**More Control Over Your Personal Data:** With open banking, you have complete control over your financial data. Your data is only shared with your explicit consent with the third-party services you've selected. You decide for how long and for what purpose that the data will be shared. You can revoke access at any time if you no longer want a particular service to use your financial data.

**Enhanced Security:** Security is a top priority in open banking. Stringent measures are in place to ensure the secure transmission and storage of your financial data. Open banking uses secure APIs (application programming interfaces) for data sharing. This is generally considered more secure than the traditional methods for financial data aggregation, which involves providing third-party services with your login information. The process for granting access to your financial data no longer requires you to share your credentials directly with the data aggregation solution provider or your advisor. Instead, the data aggregator directs you to your financial institution to log in and grant permission for your financial data to be shared with your advisor's wealth platform or app of choice.

**Helps You Better Meet Financial Goals:** By safely consolidating data from different financial institutions, open banking allows you to get a comprehensive view of your finances. You can use this to better manage spending, saving, and investing. When this information is also shared with your wealth manager, they can provide you with timely, actionable, and personalized financial advice.

## Why You Need to Take Action

As financial Institutions are transitioning to open banking, our data aggregation service provider is migrating to these new direct connections. When these new connections are established, you must reauthorize permission directly with your financial institution to continue to share your financial data with our data aggregation service provider. As your trusted financial professional, we will notify you when you need to take action — either within the application and/or by email. We ask that you prioritize these requests so we can continue to deliver the highest levels of service to you.