

Open Banking FAQ

Faster, more secure broker aggregation connections are coming to Employee Compliance!



We're excited to announce upcoming enhancements to the way ComplianceAlpha®'s Employee Compliance Solution links to your financial accounts via aggregation. These changes make bank/broker connections faster and more secure by allowing you to authenticate directly with your bank/broker without needing to share your credentials through ComplianceAlpha. These changes are being made in accordance with the Open Banking Standard, which is designed to standardize financial data sharing practices globally.

We've put together the below FAQ to provide you with more information about these exciting changes.

What is Open Banking?

The Open Banking Standard provides third-party applications like Employee Compliance access to consumer banking data through API connections with banks and brokers. This new technology will transform the banking industry through faster, more secure third-party connections. The new connection method is based on a secure industry standard called OAuth.

What is OAuth?

OAuth stands for open standard authentication. It provides a way for you to allow third-party applications to access your information without sharing secure information like passwords. Using this method, you will authenticate directly on your broker's website and will not need to share credentials with any third party. Once you have authenticated with your bank, the connection will remain active, even if your bank password changes. You can easily revoke access to any accounts directly through your bank's website and you will not experience multi-factor authentication issues.

When will the Open Banking Standard be rolled out?

The Open Banking Standard is being adopted gradually by banks and brokers across the world to standardize data sharing practices. In Employee Compliance, we expect around a dozen brokers to convert to Open Banking this year, with the first being Charles Schwab, which will go live in February 2022.

Why is Open Banking beneficial to ComplianceAlpha users?

These changes will make bank/broker connections faster and more secure, as well as more reliable. You will no longer have to provide your credentials through ComplianceAlpha, which enhances the security of your financial accounts and eliminates issues with passwords and multi-factor authentication. Once you grant access to your bank account via ComplianceAlpha, the connection remains live until you revoke access.

What is needed from me to use Open Banking?

In Employee Compliance, once a broker switches to an Open Banking connection, you will need to log in to ComplianceAlpha and re-authenticate your existing account connections to "convert" the connection to Open Banking. This involves going to the Personal Trading/Accounts page, clicking "Edit Account", and then authenticating through your bank. This action only needs to be taken one time. Once the Open Banking connection is established, you will not need to take any additional action, even if your broker password changes.

Once I connect my broker through Open Banking, will any new accounts that I open at that broker automatically flow into ComplianceAlpha?

The Open Banking Standard allows you to choose the exact data and accounts to send to authorized third parties. When you go through the Open Banking connection workflow, you will select which accounts to include. Each bank is different, but most will have an option where you can choose to automatically include all future accounts. We recommend that you select this option, so you don't have to remember to authorize new accounts when you open them.

What does this change mean for Direct Feeds?

These changes only impact feeds connected through aggregation.

Will all users with accounts at Open Banking brokers need to take action?

Most banks and brokers are pushing all aggregation connections to flow through Open Banking, so all users will need to eventually convert their connections. Some brokers are imposing conversion deadlines, which we will communicate to you as early as possible to give you the maximum amount of time to update your connections. If you fail to convert your connection by the deadline, your account will go into "Broken Connection" status until you take the actions described above.

How can I get more information on the Open Banking change?

You can reach out to our support team at support@compliancealpha.com or your Customer Success representative.

We are excited about these changes and hope that you will find connecting your accounts easier than ever.



Have additional questions?

Feel free to contact us at support@compliancealpha.com or your Customer Success representative.