

Top 10 Open Banking Myths Holding Mortgage Brokers Back

A practical guide to understanding Open Banking and integrating it into your workflow with confidence.



Open Banking is no longer an emerging concept, it's already embedded across Australia's financial ecosystem and increasingly aligned with how lenders assess applications. Yet many brokers remain hesitant to adopt it, not because of the technology itself, but due to lingering misconceptions around security, effort, client behaviour, and lender acceptance.

The reality is that Open Banking is designed to make a broker's job easier by improving data quality, reducing admin, and delivering a better client experience. It's already reshaping how brokers collect financial data, prepare submissions, and support clients more efficiently.

In the following pages, we unpack the **10 most common myths** brokers raise about Open Banking, and the **reality** behind each one.



Open Banking Myth

#1



Open Banking is risky!

Sharing financial data sounds unsafe
- especially compared to emailing
PDFs or screenshots.

Reality:

Open Banking is secure

It operates under Australia's government-regulated Consumer Data Right (CDR) framework and requires explicit client consent. This means clients don't ever need to share banking passwords, rely on screen scraping or unsecured documents. Compared to emailed PDFs and screenshots which can be altered, incomplete, or intercepted,

Open Banking significantly reduces risk for both brokers and clients.



Open Banking Myth

#2

Clients won't want to use it – they prefer PDFs

Brokers often assume clients will resist new technology or prefer familiar processes.



Reality:

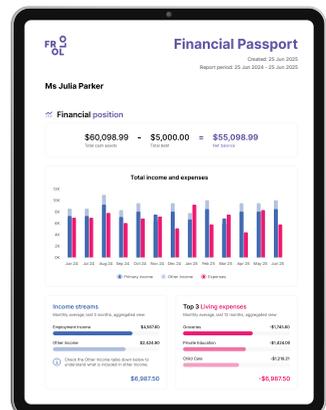
Today's clients expect fast, secure, and simple digital experiences

When given the choice between manually uploading bank statements or using a bank-grade digital connection, most choose the quicker and easier option. Open Banking reduces effort for clients and eliminates the frustration of searching for, downloading, and submitting multiple documents.

And the proof?

Consumer adoption is exploding. NextGen data shows 56,283 consumers completed their Financial Passport in the past six months – more than double the 22,529 recorded previously (a **149.82%** jump).

CDR isn't just being accepted; it's being rapidly embraced.



Open Banking Myth

#3

The data isn't complete or accurate enough

Some believe bank feeds may miss transactions or accounts.



Reality:

Open Banking provides real-time, CDR-certified data directly from the source

This ensures higher accuracy, completeness, and consistency compared to manually supplied statements. Another key advantage is refresh capability, during the consent period, brokers can update financial data without asking clients to resubmit documents, keeping applications current right through to approval.



Open Banking Myth

#4

It won't save me much time

There's a perception that Open Banking is only marginally faster.

Reality:

Open Banking can shave days from fact-finding, financial analysis, and submission preparation

Brokers no longer need to chase clients for statements, review redacted screenshots, or manually summarise transaction data. With verified financial data available upfront, submissions move faster and clients experience a smoother, less stressful process.

Many brokers are seeing verification time go from 2 hours to just **15 minutes**, delivering significant time savings.



Open Banking Myth

#5



Lender adoption is still evolving, so there's no urgency

If lenders aren't mandating Open Banking yet, brokers don't need to prioritise it.

Reality:

Many lenders are already activating Open Banking behind the scenes

The quality and consistency of CDR data aligns closely with lender credit and risk assessment requirements. Brokers who adopt early are seeing fewer more information requests, faster turnaround times, and stronger submissions, creating a clear competitive advantage.



Open Banking Myth

#6

It's expensive to add another tool

Some brokers assume Open Banking adds cost to an already growing tech stack.



Reality:
Open Banking
doesn't have to
add cost

Solutions such as Frolo for Brokers are free for all MFAA or FBAA accredited brokers or available through aggregators with CRM integrations including Connective, Mortgage Choice and Finsure.

Instead of adding complexity, Open Banking reduces time and operational effort, delivering value without additional expense.



Open Banking Myth

#7

It's hard to set up and will disrupt workflows

Some brokers think it's a complex system that requires big changes.

Reality:

Modern Open Banking tools are built specifically for brokers and integrate easily into existing workflows

They are designed to be simple, intuitive, and quick to adopt, many brokers are already using Open Banking as part of their day-to-day process with minimal disruption. A common best practice is introducing Open Banking to clients to securely connect their accounts at the start of the fact-find process.

For brokers using CRM-integrated aggregators such as Connective, Mortgage Choice and Finsure, follow the [CRM Best Practice Guide](#) to embed Open Banking into your workflow.

All other brokers can follow the [Frollo for Brokers Best Practice Guide](#) to get started quickly.



Open Banking Myth

#8

Screen scraping works fine, why change solutions?

It's familiar and functional, there's no need to switch.



Reality:

Screen scraping is being phased out across the industry

Clients are increasingly uncomfortable sharing banking credentials, a practice that exposes them to unnecessary risk. Banks are increasingly adopting two-factor authentication to their banking systems, this stops screen scraping from working effectively.

Open Banking replaces this approach with a secure, credential-free, government-regulated alternative that's safer for clients and more dependable for brokers.



Open Banking Myth

#9

Open Banking shares too much data and creates more work for assessors

Assessors don't want to review more data than necessary, so it's safer to stick with manual statements.

Reality:

Update to: When Open Banking is initiated through Frollo, brokers remain in control of what is shared. Brokers can select **1, 3, 6, or 12 months** of statement history to meet each lender's requirements - no more, no less.

This ensures assessors receive the right level of data without unnecessary overload, helping streamline the credit assessment process.



Open Banking Myth

#10



Consent is complicated and clients will drop off

Brokers worry the consent process is confusing or too long, causing clients to abandon the application.

Reality:

Open Banking consent flows are designed to be fast and familiar

Most clients complete the process in around **7 minutes** using a secure, bank-grade experience.

This makes it faster and easier than downloading and uploading multiple bank statements.



The bottom line

Open Banking removes friction from the broker fact-finding process, making it easier to obtain a complete and more accurate financial picture of clients while improving data quality for loan application preparation.

As client expectations evolve and lenders continue to modernise, brokers who embrace Open Banking are better positioned to move faster, reduce risk, and deliver stronger outcomes. For many, Open Banking is no longer a future concept, it's already the standard for gathering financial data and progressing applications with confidence.

Get Started with Open Banking Today

Make fact-finding more efficient, improve data quality and deliver a better client experience with secure, real-time financial data. Gain a clearer, more complete view of each applicant's financial position using verified information sourced directly from their banks.

Spend less time analysing transactions and validating data, and more time submitting accurate, high-quality loan applications faster.

Key Benefits Recap

- ✓ Reduce time spent chasing bank statements
- ✓ Improve accuracy and completeness of financial data
- ✓ Submit stronger applications aligned to lender expectations
- ✓ Deliver a faster, smoother client experience
- ✓ Reduce risk with secure, consent-driven data sharing

How to get started

step

01

Introduce Open Banking early

- ✓ Invite clients to securely connect their accounts at the start of fact-find.

step

02

Choose your workflow path

- ✓ Using a CRM-integrated aggregator
- ✓ Follow the Frollo from my CRM - Broker's Best Practice Guide to embed Open Banking into your existing workflow.

All other brokers:

- ✓ Use the Frollo for Brokers Best Practice Guide to start quickly and integrate into your process.

step

03

Start using verified data

- ✓ Use real-time financial bank data to prepare faster, more accurate submissions.



“ It has helped the efficiencies so much for us. Living expense verification—it’s all very simple and easy. It’s ten, 15 minutes now compared to one or two hours, and that’s massive. ”

- Nicole Cannon, CEO, Pink Finance

Best Practice Tips

- ✓ **Position** Open Banking as faster and easier for clients
- ✓ **Explain** it is secure and government regulated
- ✓ **Use** refresh capability to keep data current
- ✓ **Match** Frollo generated statement period (1, 3, 6 or 12 months) to lender needs
- ✓ **Make** it part of your standard fact-find workflow
- ✓ **Open Banking** is already being used by brokers across Australia to streamline fact-finding and improve submission quality.

Learn more

To learn more about Open Banking register for a webinar at <https://frollo.com.au/webinars/>





NEXTGEN

Frollo and NextGen are redefining lending through Open Banking and intelligent automation. Frollo delivers real-time verified financial data and insights, while NextGen's ApplyOnline® platform connects over 60 lenders and 98% of brokers across Australia. Together our technology delivers better customer outcomes for a more connected future of the Australian lending ecosystem.