

Responses:

**2. How should intermediaries be provided for in the rules? In your response please provide your views on whether the rules should adopt either an outsourcing model or an accreditation model, or both and, if so, and in what circumstances each model should apply.**

The rules should adopt an accreditation model. It is important that intermediaries are not dependent on contractual agreements, as they will cause friction in innovation within the market. This legal barrier may stifle companies or start ups to develop innovative products.

The outsourcing model will result in more steps between the intermediaries and customers. Making it more difficult for products to integrate with easy to use minimalistic services.

**3. What obligations should apply to intermediaries? For example, you may wish to provide comment on:**

- a. if intermediaries are regulated under an accreditation model, the criteria for accreditation and whether they should be the same or different to the criteria that apply to the current 'unrestricted' level, and the extent to which intermediaries should be responsible for complying with the existing rules or data standards;**
- b. if intermediaries are regulated under an outsourcing model, the extent to which contractual obligations should be regulated between accredited persons and intermediaries;**
- c. if the obligations should differ depending on the nature of the service being provided by the intermediary.**

3a) Intermediaries should be regulated under the accreditation model, although the criteria should not be exactly the same. Some criteria within the existing accreditation model will hinder the ability for products to easily integrate with intermediaries, affecting competition and innovation under the framework.

- **Consumer Dashboards (Subdivision 1.4.3, Section 1.14):** It would be unreasonable for intermediaries to be the accredited party that must provide consumer dashboards. Intermediaries are the service to help improve a product, if the ACCC requires accredited parties to show dashboards, it should be the product owners, not the intermediaries.
- **Selling of data (Subdivision 4.3.2, Section 4.1.2 (3)(a):** Under the existing rules within this subdivision, further clarification is required on whether the consumer data is being sold when intermediaries pass CDR data to accredited third parties. When Instead an intermediary is providing a service for them and the consumer.

- **Aggregation of data (Subdivision 4.3.2, Section 4.1.2 (3)(b)):** Intermediaries that are providing the users of accredited third parties a service should be able to aggregate their data. An intermediary handling the backend of connecting all of a users bank accounts and displaying enriched information on those accounts requires the aggregation and linking of their CDR data. It is also in the consumer's best interest to have this aggregation occur as they can gain a more holistic view of their own data.
- **Cost:** The cost to become accredited should not be a large expense upon a start up. The framework needs to promote innovation within Australia, not enforce an impossible barrier to entry.

**4. How should the use of intermediaries be made transparent to consumers? For example, you may wish to comment on requirements relating to consumer notification and consent.**

The very nature of an intermediary is such that it is a background service, standing between customers and financial institutions. In line with the philosophy of Open Banking, we agree that the use of intermediaries should be available to all products and their involvement should be made transparent. However, requiring consumer notification and consistent consent will add unnecessary information and consent steps for the consumer and also the intermediary, creating friction in the flow of data.

Consumers should be made aware upon authorising access to a bank account, whether or not an intermediary is involved in accessing that account. This should include what data they are granting both the intermediary and product provider. This process should also happen once. All other aspects such as: the cancelation of access and the renewing of consent (if required) should be handled by the product provider and communicated to the intermediary.

**5. How should the rules permit the disclosure of CDR data between accredited persons? For example, you may wish to comment on requirements relating to consumer consent, notification and deletion of redundant data, as well as any rules or data standards that should be met.**

It is important to note that the communication between accredited persons and intermediaries must be done at a high level of security to avoid malicious attacks.

What is considered redundant data between accredited persons and intermediaries can be quite different. It is very important that the legislation allows intermediaries to store CDR data to improve their products. If this is not done the market will be quickly monopolised by larger firms who have access to external data. It will further stifle the innovation of Australian specific intermediary products, inherently slowing the development of consumer driven services.

