



Consumer Data Right – Consultation Response

Consultation on how best to facilitate participation of third party service providers

www.covaler.ai



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2. Introduction

2.1. About Covaler

While **Covaler** is a relatively new brand in the data and technology sector in Australia, it formed by the merger of two local Australian companies, each with a ten year history and whose current (and future) offerings provide a powerful and unique capability both locally and abroad.

Founded in 2009, **Acceleon** is a well-established highly reputable service provider to the financial services industry as an enabler for businesses stay in contact with its customers and other stakeholders. Acceleon is one of three organisations authorised to access and disclose customer data for the purpose of a public number directory from the IPND (provided under the Telecommunications Act and the IPND scheme and administered by the ACMA). Acceleon is also an ASIC information broker. Acceleon leverages these data assets along with a variety of other privacy complaint data assets to help maintain customer contact information of businesses and charities within a secure framework.

Also founded in 2009, **Narratiive** (formerly **Effective Measure**) provides internet audience measurement to the digital publishing industries in the Middle East and South Africa, where it is the IAB (Internet Advertising Bureau) appointed measurement currency.

In January 2019, Narratiive and Acceleon joined forces to create Covaler. The intent being to leverage the capabilities and IP of the two companies to create a new offering that combines online and offline data assets and technology in a way that benefits business and consumers.

2.2. Our Stated Objective

Our goal is to be the global leader in connecting consumers and organisations via ethical, consented and dignified information exchanges.

As with all businesses that have a data capability, the environment around compliance and privacy has been properly shifting towards a more sophisticated and tightly regulated environment as societal awareness, concerns and expectations increase. This shift has been accelerated by the behaviours of Cambridge Analytica, the wider recognition of Amazon and Google's reach and the desire for some parties to weaponise data against the consumer.

These privacy and compliance headwinds have manifested in a variety of ways, including:

1. Major reforms to the Privacy Act in 2014
2. The Introduction of GDPR in 2016
3. Gradual degradation of Third Party cookies in the digital advertising market
4. Most recently the ACCC signals to the market around the activities of the digital platforms and loyalty schemes.

All of these initiatives have sought to better protect the consumer from those that seek to exploit or attack them and to include the consumer in a fair and reasonable value exchange. Covaler endorses and promote the regulatory intent to engage with the digital economy in a way that supports and respects both the economy and the consumer.

The unintended consequence of these regulatory initiatives is the homogenisation/concentration of data and capability to a select few global platforms. Each of the government activities identified above have or will further enhance the structural advantage of the global platforms. This is because the global platforms already provide a value exchange that consumers have knowingly or unknowingly accepted. Consequently these global platforms own more data about the Australian consumer than any single entity in Australia is capable of assembling in isolation. The global platforms currently dominate global and local media and marketing and are now entering sectors such as Banking and Insurance, leveraging their data assets to out-compete the local incumbents.

Covaler's intent is to provide the technology platform for domestic established businesses to counter the asymmetrical data advantage leveraged by the global platforms. We will do this as enablers of industry federations that will include consumers in a value exchange. Covaler will also provide the consumer more insight into what their data is being used for and how that manifests in an enhanced online and offline experience. We believe that industries and consumers will engage with this approach as they all become more aware of, and resist, the impact of the global platforms on their day-to-day reality.

2.3. Contact Us

For more information about this submission please contact us at:



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3. Consultation Questions: Intermediaries

3.1. Question 1

If you intend to be an intermediary in the CDR regime, or intend to use an intermediary, please provide a description of the goods or services you intend to provide to accredited persons or to CDR consumers using an intermediary. Do you intend (or intend to use an intermediary) to only collect CDR data, or collect and use CDR data? What value or economic efficiencies do you consider that intermediaries can bring to the CDR regime and for consumers?

Covaler's goal is to provide a series of industry federations that support a value exchange with the consumer in return for the use of their data. The consumer will have a full control of their engagement with the platform, where they will be able:

1. to opt out at any time,
2. review how their data is being used
3. understand whether they are gaining a fair exchange for the use of their data.

In the context of CDR for the banking sector our goals will include the following:

1. Supporting consumers in finding banks that best suit their needs
2. Supporting banks in finding consumers that their products are best suited to.
3. Supporting consumers that are interested in finding other businesses that are suited to their needs.

3.2. Question 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.

Given the private nature of the data, an accreditation model is essential. Without ensuring a high degree of security and privacy compliance, consumers will not trust that their data is being treated securely and with integrity, thus creating an environment where the whole point of the CDR becomes mute.

Moreover, the bar for achieving accreditation should be high and regularly tested. There are too many examples where established data businesses have been the subject of serious data breaches; governments, corporations indeed all stakeholders must treat data security as paramount.

We note that many in the start-up community may respond negatively to our position, however, the needs of the consumers must supersede the needs of a relatively small group of industry participants.

3.3. Question 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.*

The same “unrestricted” level accreditation model and obligations should apply to intermediaries.

3.4. Question 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.

Informed consent is essential to an effective implementation of CDR. If an intermediary is used, the consumer should be aware of them and be provided an opportunity to engage directly with them.

3.5. Question 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.

In relation to the consumer consent piece, we have nothing more to add to remarks above.

In relation to rules around data standards, there are appropriate ISO standards that should apply. For example ISO-27001 – Information Security Management should be a requirement for all CDR providers.

3.6. Question 6

Should the creation of rules for intermediaries also facilitate lower tiers of accreditation? If so, how should the criteria and obligations of new tiers of accreditation differ from the current ‘unrestricted’ accreditation level, and what is the appropriate liability framework where an accredited intermediary is used?

We have no strong views in relationship to this.

4. Consultation Questions: permitting CDR data to be disclosed the non-accredited third parties

4.1. Question 7

If the ACCC amends the rules to allow disclosure from accredited persons to non-accredited third parties and you intend to:

- a. *receive CDR data as a non-accredited third party, please explain the goods or services you intend to provide, the purposes for which you propose to receive CDR data, and how this may benefit consumers;*
- b. *be an accredited person who discloses CDR data to non-accredited third parties, please explain the intended goods or services you intend to provide and how they may benefit consumers.*

It is our view, given the sensitivity of the data, that non-accredited parties should only have access to high level aggregated information where it will be impossible to identify consumers. It must be assumed that if provisions are made for non-accredited parties to access CDR data that the information will be publicly exposed whether intentionally or not.

4.2. Question 8

What types of non-accredited third parties should be permitted to receive CDR data? Why is it appropriate for those types of third parties to be able to receive CDR data without being accredited?

We have no views here.

4.3. Question 9

What privacy and consumer protections should apply where CDR data will be disclosed by an accredited person to a non-accredited third party?

As discussed above, we do not believe that non accredited parties should have access to individual consumer information. In this case consumer protections need not apply.

4.4. Question 10

What degree of transparency for CDR consumers should be required where an accredited person discloses CDR data to a non-accredited third party? For example, are there particular consent and notification obligations that should apply?

As per question 4 above.