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Dear Sir or Madam

## **Consultation on proposed changes to the CDR Rules**

Xero welcomes the opportunity to provide feedback on the ACCC's proposed changes to the CDR Rules to allow tiers of accreditation and disclosure to third parties with consent. We also welcome the ACCC's commitment to recognise ISO 27001 certification and the ATO's Digital Service Provider (DSP) Operational Framework as alternative accreditation methods for unrestricted Accredited Data Recipient (ADR) accreditation. As outlined in our earlier submissions, we see great value in leveraging appropriate existing frameworks.

Seamless third party regime participation will contribute to a thriving CDR ecosystem, with organisations competing and innovating to better solve consumer problems. However, it is important that there are clear bounds to the regime and recognition of existing frameworks, so participants and would-be participants have certainty of CDR expectations.

### *Data definitions - particularly 'derived data'*

At the outset, the first designated sector for the CDR regime was banking. The relevant data being customer, product and use data, excluding *materially enhanced data*. Accountancy and accounting data is separate to both the sector and data designated. According to the regime intent, a separate designation instrument would be required to activate the CDR within the accounting sector to mandate sharing of its data upon a consumer request.

However, as open banking is currently being set up, it is unclear where the boundaries between banking data and other data (including accounting data) are set. This is particularly problematic as the contemplation of a wide range of accredited persons and third parties both internal and external to the banking sector creates confusion and uncertainty. These factors are compounded by vagueness relating to when an organisation falls under the CDR regime protections and restrictions, although not mandated data sharing.

The definition of CDR data and its holders is clear, as defined by the designation instrument. Out of scope data to which the regime does not apply, is implied rather than defined: arguably a data product that is wholly different from the prescribed CDR data, an example of which in Xero's view is accounting data. However, derived data, to which the regime *does* apply, appears to be assuming a broad definition: data derived from CDR data, or derived from *derived* CDR data. This broad definition and/or interpretation of derived data is leading to open banking regulations permeating the economy, regardless of industry, unchecked.

There is significant risk that the loose definitions and subsequent regulation will materially increase complexity of operation for new and existing businesses outside the banking sector which utilise data, for an unknown consumer benefit. Further, in Xero's view the regulation designed for the banking sector is not appropriate to be applied in a blanket fashion economy wide. This onerous application of regulation appears to be a regime element that exceeds the UK Open Banking model for questionable consumer benefit, and a significant unintended consequence of the regime. Xero strongly suggests greater clarity of data definitions and recognition of existing, industry appropriate data sharing frameworks to address the proposed introduction of significant red tape.

*Case study: Xero API [DRAFT]*

- Open APIs allow platforms to build ecosystems rich with problem-solving innovation. In turn, third parties leverage APIs to build and scale customer solutions. The relationship is complementary and in Xero's case, results in strong consumer outcomes.
- Xero currently has over 100 end points across 11 API sets. The platform has over 850 million public API requests per month. Through the Australian Business Software Industry Association (ABSIA) Digital Service Providers (DSPs) including Xero, have worked with the Australian Taxation Office (ATO) to develop the Security Standard for Add-on Marketplaces (SSAM) to manage this scale of data transfer in a consumer centric manner.
- DSPs are intimately aware customers are entrusting us with the secure transfer of their sensitive data. This is a responsibility the industry and the regulator takes seriously. It is common for Xero APIs to include components of what would be CDR data along with Xero generated data.
- For example, Xero's invoice API facilitates access to components of would-be customer CDR data from banks, for third parties to offer invoice and purchase bill services. Data pulled from the bank commonly takes the form of an unreconciled transaction in software, which includes:
  - Transaction dates, for example 30 October 2020,
  - Descriptions, for example John Smith dog grooming bill,
  - References, for example INV-001, and
  - Transaction amount, for example \$45.
- Once the insight is available within software, it is reconciled with the human or machine created bill or invoice within software, including accounting data fields, such as:
  - SubTotals, or invoice total minus tax,
  - TotalTax, or the total tax component,
  - Chart of Account classification or reporting classification, and
  - Lineltems, or individual invoice item lines.

- Combining the CDR data with the human or machine created data within Xero confirms the transaction which then enters the business ledger.
- Under the proposed rules, a third party consuming Xero's accounting API in a CDR environment is required to seek accreditation. This is despite the fact the third party will only have access to components of CDR data or CDR insights. DSP's ecosystems are currently regulated by the SSAM.
- Xero encourages the ACCC to explore leveraging existing, industry specific regulatory frameworks.

The current framing disproportionately extends obligations onto sponsors and affiliates well outside the banking sector. The creep of obligations creates extensive reach of open banking regulation into unexpected parts of the economy. In fact, extending into parts of the economy that are not banking, already providing crucial productivity services to small businesses through consumer control of data. An extension of red tape for these services would have significant detrimental effects at a time when the focus needs to be on enhancing business productivity.

#### *Onerous obligations of sponsors and affiliates*

Below, we provide comments on how the proposals for levels of accreditation and disclosure to third parties with consent can be optimised. In particular, we have concerns with the onerous obligations placed on sponsors and affiliates outside the banking sector. Xero recommends recognising existing, industry specific frameworks such as the SSAM as appropriate for automatic affiliate status.

In Xero's view the expectations that the rules would place on sponsors outside the banking sector are unreasonable. The proposal for sponsors to take "reasonable steps" to ensure its affiliates remain compliant is problematic. It is vague and suggests a sponsor assumes policing and audit responsibility of its affiliates. We note the ACCC will run targeted audits with the sponsor facing potentially significant penalties for affiliate breaches.

It is not reasonable for DSPs to bear ultimate responsibility for the compliance of ecosystems. For Xero, this would see it receive, assess and assure in excess of 800 affiliate attestation statements annually. This new burden would likely discourage sponsorship, resulting in service disruption and exit. This in turn would see small businesses materially worse off, with less choice and access to services than they receive currently.

In Xero's view, the sponsor's obligations should be tailored by industry. For DSPs, CDR obligations should be limited to third parties with over 1,000 customer connections only, and:

- receiving an affiliate's annual self assessment and underlying evidence in support of the assessment,
- communicating a list of affiliates, date of affiliate self assessments and confirmation of DSP approval, and
- any outstanding matters to the regulator, as per the SSAM.

This would remove the requirement under the proposed rules for a sponsor to:

- provide an attestation statement,
- take “reasonable steps” to ensure affiliates comply with its obligations, and
- provide evidence in support of 2.2(1)(i) 2.2(2)(d) 2.2(7) of Schedule 2 for affiliates.

For DSPs, this would align the affiliate model with the SSAM. A summary of the sponsor/DSP obligations for the proposed affiliate model and the SSAM is provided below:

Action	Affiliate	SSAM
Thresholds before regulation applies to third party	Nil	<ul style="list-style-type: none"> <li>• more than 1,000 connections to Australian small business customers of a DSP, or is</li> <li>• connected to the practice client list of an Australian tax or BAS agent (practice connection)</li> </ul>
Third party obligation to sponsor/DSP	<ul style="list-style-type: none"> <li>• Provide an annual self assessment to Sponsor.</li> <li>• Provide an annual attestation statement to Sponsor.</li> <li>• Undertakes to provide the [Sponsor] with such information and access to operations as is needed for the [Sponsor] to fulfil its obligations.</li> </ul>	<ul style="list-style-type: none"> <li>• Provide a completed self-assessment on an annual basis to that DSP.</li> </ul>
Obligation of sponsor/DSP	<ul style="list-style-type: none"> <li>• On behalf of one or more persons with affiliate accreditation must provide the DRA annually:               <ul style="list-style-type: none"> <li>○ a sponsor assessment that covers the reporting</li> </ul> </li> </ul>	<p>The DSP should, as part of their annual certification with the ATO under the Operational Framework, provide:</p> <ul style="list-style-type: none"> <li>• a list of the applicable third party app store developers with more than 1000 small</li> </ul>

	<ul style="list-style-type: none"> <li>○ period; and</li> <li>○ a sponsor attestation that covers the reporting period.</li> <li>● Provide evidence in support of attestation for each affiliate, including:             <ul style="list-style-type: none"> <li>○ Encryption in transit</li> <li>○ End-user device hardening</li> <li>○ Third party management framework</li> </ul> </li> <li>● The sponsor of an affiliate must take “reasonable steps” to ensure that the affiliate complies with its obligations as an accredited person.</li> </ul>	<p>business connections or a connection to tax agent/practice client list (including individuals);</p> <ul style="list-style-type: none"> <li>● the date the self-assessment has been completed;</li> <li>● confirmation that the self-assessment has been approved by the DSP; and</li> <li>● details of any outstanding matters.</li> </ul>
Sponsor/DSP obligations upon third party problem	Unknown	The DSP will issue [the third party] written notice giving them 30 days to advise the treatment plan and up to a further 60 days to complete the required work.
Sponsor/DSP non-compliance punishment	Grounds for suspension or revocation of the accreditation of the sponsor and civil penalties.	DSP may lose access to ATO APIs
Third party misuse punishment	Affiliates could still be liable for misuse of CDR data or failing to meet other obligations under the regime.	Lose access to DSP APIs

*Recognising existing, industry appropriate data sharing frameworks*

The proposed rules should be amended so that SSAM-compliant third parties are automatically recognised as affiliates under the regime, sufficient for their DSP sponsors to rely upon in the event of small business instruction to share data.

The threshold of 1,000 customer connections should be reflected in the affiliate accreditation model. It is appropriate that third parties beneath the 1,000 connection threshold are required to abide by DSP and marketplace terms of use, as is required currently. As more customer

connections are made, responsibilities and engagement with Xero's API developer team increases. This model ensures third parties have the opportunity to grow, while customers are appropriately protected.

The SSAM is a proven, industry appropriate security framework for third party service providers consuming sensitive consumer data facilitated by a DSP. Recognising qualifying SSAM accredited third parties would be an extension to the ACCC's decision to recognise DSPs as unrestricted ADRs. Recognition would be an efficient, industry appropriate framework to assure participation, uninterrupted service and industry specific user protection.

On the other hand, additional regulation would be surplus to what is proportionate and reasonable for SSAM accredited organisations. Heavy handed regulation would risk third party service exit or interruption at a time when the economy sorely needs small businesses to be as productive as possible.

Below, we respond to specific questions in the Consultation Paper.

## Responses to the Consultation Questions

### Increasing the number and types of businesses that can participate in the CDR

2. The proposed rules include three discrete kinds of restricted accreditation (separate affiliate, data enclave or limited data restrictions). We welcome views on this approach and whether it would provide sufficient flexibility for participants. In responding to this question you may wish to consider whether, for example, restricted accreditation should instead be based on a level of accreditation that permits people to do a range of authorised activities.

- Prior to a full exploration of third party restricted access, the definition of derived CDR data must be finalised. Until the definitions are certain, it is unclear which third parties will fall under the regime's restrictions.
- As stated above, Xero is uncomfortable with how far beyond the banking sector the regulation appears to apply, and the lack of industry specificity of sponsor/third party regulations. It is Xero's view that existing, industry specific data sharing frameworks should be recognised as appropriate for third parties to gain automatic accreditation.
- In principle, Xero supports the creation of streamlined pathways for third parties to participate in the CDR. The outcome should be an efficient pathway for lower risk third parties to access the regime and benefit consumers. Restricted third party access should

be less arduous than unrestricted accreditation.

- The affiliate restriction would allow Xero to support qualifying ecosystem members to maintain the level of service they currently provide mutual small business customers.
- As explored above, if the rules recognise SSAM compliance as appropriate to extend automatic and ongoing affiliate accreditation, this model would facilitate appropriate flexibility to participate. Xero would aim to transition its ecosystem to the CDR when appropriate, and the delivery of services to small businesses would be maintained uninterrupted.
- Xero strongly suggests existing compliance with the SSAM should be entirely sufficient for third parties to qualify as an affiliate, and for its existing DSP sponsor to rely upon. In particular, sponsors should not be required to police (reasonable steps to ensure compliance) and audit (annual attestation statement) affiliate compliance.
- The SSAM is a proven, industry appropriate security framework for third party service providers operating with sensitive consumer data supplied by a DSP. A full explanation of the SSAM is included in our [intermediaries submission](#) dated 11 February 2020.
- As proposed the regulatory burden for affiliates and sponsors outside the banking sector is prohibitive to flexibility and participation. Applying regulation designed for the banking industry as proposed risks significant DSP ecosystem exits or service disruption, due to additional, ongoing regulation obligations. This would be a deeply troubling unintended consequence for a regime designed to enhance consumer outcomes.

3. We also welcome views on alternative risk-based restrictions that could apply to a lower level/s of accreditation, as envisaged by the Open Banking Report, including views on whether, and in what way, an approach based on volume (for example, volume of customers or customer records), could provide an appropriate basis for developing levels of accreditation.

- Xero strongly supports industry appropriate tiered third party regime access as per the SSAM. The SSAM has been designed by industry specifically for third parties connected via API to DSPs in collaboration with the ATO.
- SSAM risk tiers are managed by requiring only third parties with 1,000 customer connections and/or connection to the practice client list of a tax or BAS agent via API to complete a self-assessment against a specified set of security requirements. The third

party is then required to submit the assessment to the DSP(s) it is integrated with.

- The DSP in turn is responsible for monitoring and approving the self assessment and submitting a list of applicable third parties to the ATO along with a list of any outstanding matters.
- Xero considers the SSAM and its thresholds and processes as a proven, industry appropriate mechanism to manage DSP ecosystems in a customer data sharing environment. Recognition under the SSAM in our view would maintain existing streamlined third party entry, continued innovation and small business outcomes.

Restricted level: affiliate restriction

10. Do you consider the affiliate restriction level would increase participation in the CDR? Where possible, please have regard to potential use cases in the banking sector and future CDR sectors.

- Under the proposed model the affiliate restriction level would not increase participation in the CDR within Xero's industry due to the introduction of additional, higher regulation. In fact, the additional obligations would likely result in less competition and innovation, to the detriment of small businesses nationwide.
- An affiliate will be subject to all of the obligations under the CDR regulatory regime. While the affiliate will not be required to seek formal accreditation, it will be required to find a sponsor, and attest for the validity of its compliance against all accredited person obligations.
- The proposal for sponsors to take "reasonable steps" to ensure its affiliates remain compliant is problematic. It is vague and suggests a sponsor assumes policing and audit responsibility of its affiliates. Xero notes the ACCC will run targeted audits with the sponsor facing penalty (including possible civil penalty and revocation of ADR accreditation) for breaches alongside responsible affiliates.
- Xero is yet to have certainty which entities under the proposal would be considered third parties applicable for affiliate sponsorship under the regime. Uncertainty stems from the broad and vague definition of CDR derived data. A prudent approach may see Xero's ecosystem of 800 apps requiring affiliate status and subsequent sponsorship.
- Within Xero's industry, it is not reasonable for sponsors to assess and be liable for the compliance of entire ecosystems. For Xero, this would require receiving, assessing and

assuring in excess of 800 affiliate attestation statements annually, as well as “reasonable steps” to ensure compliance.

- As explored above, it is Xero’s view for DSPs and their ecosystems, the proposed affiliate model should be amended to align with the SSAM.

*11. Should there be additional requirements under Part 1 of Schedule 2 for sponsors?*

- Xero welcomes the DSP Operational Framework being recognised as a streamlined accreditation pathway to unrestricted ADR status under the CDR regime.
- As argued, Xero encourages the ACCC to recognise the SSAM as an industry appropriate accreditation for maintaining the safe transfer of permissioned data to regulated third parties.
- Recognising the SSAM would include acknowledgement that DSPs currently hold appropriate certification from the ATO to be sponsors, thereby continuing the important services being provided to millions of small businesses.

13. The draft rules envisage that all of Schedule 2 will apply to an affiliate of a sponsor. However, depending on the relationship between the sponsor and the affiliate, there may be options to reduce the risk associated with this model which in turn could result in less controls being relevant for some affiliates.

We are interested in views on whether a distinction could, or should, be made for different levels of access to data between sponsors and affiliates (some examples below), and, if so, what approach to assurance of the information security criterion may be appropriate.

Example level 1: affiliate is able to obtain access to any CDR data collected by the accredited sponsor and all data is held and managed on the affiliate member’s systems.

Example level 2: affiliate is able to access all data sets, but uses some of the sponsor’s systems and applications to access or manage the data.

Example level 3: affiliate obtains access to a limited amount of CDR data held by the sponsor, or entirely uses the accredited sponsor’s systems and applications to access or manage the data.

- Xero’s ecosystem members consume permissioned data at a level lower than the Level 3 example. Xero connects third parties with components of CDR data, and human and

machine generated data.

- It is Xero's strong suggestion that where working, industry appropriate data sharing frameworks exist, such as the SSAM, additional CDR regulation is not required.
- The SSAM was designed by industry in consultation with the ATO. It is right sized, industry appropriate regulation that is fit for purpose, commensurate to the risk metrics of the data being shared upon customer direction. The framework is working as intended, facilitating the safe transfer of permissioned data to increase small business productivity. It is Xero's understanding that the ATO as the ultimate regulator is satisfied with the operation of the framework.
- It is Xero's view that extending heavy handed, non-industry specific regulation across the economy, or duplicating existing regulation, will lead to significant unintended consequences. Applied to Xero's ecosystem the affiliate model as proposed would invariably lead to service disruption and exits.
- At a time when the economy needs small businesses to be as productive as possible, these likely unintended consequences are deeply troubling.
- Recognising the SSAM as appropriate regulation will complement DSP ADR recognition, seamlessly transitioning millions of small businesses and their technology integrations under the CDR.

Expanding how accredited persons work together

Combined Accredited Person arrangements

14. We consider that in the case of a CAP arrangement, it is appropriate for the principal (having the relationship with the consumer) to be responsible for ensuring that customer-facing aspects of the CDR regime are delivered (for example, dashboards and any customer-facing communications, including in relation to dispute resolution). We welcome views on this position.

- Xero agrees it is reasonable for the party engaged directly by the consumer to ensure the consumer facing components of the regime. This will reduce consumer confusion about which entity is responsible for the flow of data they have instructed to take place.

- Xero will engage an intermediary under a CAP arrangement. We anticipate being responsible for all components of the customer facing aspects of the regime. It would undoubtedly confuse our customers to be contacted by our intermediary at any point in the process. Xero is comfortable with these consumer facing obligations.

#### Transfer of CDR data between accredited persons

15. Should consumers be able to consent to the disclosure of their CDR data at the same time they give a consent to collect and a consent to use their CDR data?

- Yes. Consumers must be given the freedom to consent for multiple uses for their data, in line with their wishes, simultaneously. This will allow recipients to present a streamlined experience to the consumer. The consumer should be extended as much control as possible over their data so they can use it as they see fit.
- It is important separating consents is not mandated. For example, Xero requires multiple layers of consent, including collect, use and disclosure to deliver its service. If any single component is not agreed to by the consumer, Xero's service will not be available.
- In Xero's case, it is appropriate the consumer is presented with a singular yes/no choice to use the product. Mandating consent layers is likely to add to customer confusion without offering enhanced outcomes.

15a. Is the proposed threshold for being able to offer an alternative good or service in rule 7.5(3)(a)(iv) appropriate?

- Yes. If a consumer consents to an accredited person suggesting the goods or services of a separate accredited person, it is reasonable for this suggestion to occur.

15b. The transfer of CDR data between accredited persons will be commonly facilitated through commercial arrangements. Should those commercial arrangements be made transparent to the consumer and, if so, to what extent?

- Commercial arrangements between accredited persons should be presented to the consumer at the time when the consumer agrees to partake in the service.
- Commercial arrangements should be available to the consumer after initial agreement is made, but not necessarily prominent.

## Greater flexibility for consumers to share their CDR data

### Disclosure of CDR insights

- Xero has consulted with accounting and bookkeeping industry associations to help inform its responses to the following questions.
- As the subject matter experts representing trusted small business advisers, these groups' input is critical. Xero strongly urges the ACCC to consult closely with industry associations to formulate rules which will impact business advisers.
- Xero understands and supports the eventual application of the CDR regime economy wide. When the accounting industry is being considered for designation, industry groups and Xero will participate in consultation opportunities enthusiastically. Industry by industry, consultation and rules consideration must be as robust as it has been for Open Banking. Tailoring requirements by industry we consider will lead to far superior consumer outcomes as opposed to applying a standard, one-size-fits-all set of obligations.

16. To which professional classes do you consider consumers should be able to consent to ADRs disclosing their CDR Data? How should these classes be described in the rules? Please have regard to the likely benefits to consumers and the profession's regulatory regime in your response.

- The Rules framework should not attempt to specify groups of professions as non-accredited third parties. Rather, a consumer should be free to grant access to their data to their choice of third party. This will allow consumers to benefit fully from the regime, including new and emerging use cases.
- While the Rules should not specify professions, it is reasonable to limit non-accredited third party status to those defined as humans. Consumers should be able to direct their CDR data to non-accredited third parties with consent. No further rules are required.
- Third parties requiring accreditation on the other hand should be defined as entities connecting with an ADR via API, and regulated as discussed above.

- Xero strongly urges the ACCC to consult closely with the accounting and bookkeeping industry bodies to inform development of the Rules with regards to non accredited third parties.

17. Should disclosures of CDR data to trusted advisors by ADRs be limited to situations where the ADR is providing a good or service directly to the consumer? If not, should measures be in place to prevent ADRs from operating as mere conduits for CDR data to other (non-accredited) data service providers?

- Xero will only connect permissioned customer data to non-accredited third parties when they hold a Xero subscription.

18. Should disclosures of CDR data insights be limited to derived CDR data (i.e. excluding 'raw' CDR data as disclosed by the data holder)?

- No, it must be up to the consumer what they choose to share. The Rules should not seek to prescribe what data a consumer can share with a non-accredited third party. Doing so is contradictory to the regime intent which seeks to give data owners control of their data.
- For example, many Xero subscribers grant access to their non accredited third party to view and interact with transaction data within the Xero software. Advisers provide valuable services with access to this data including invoicing and reconciling transactions, through to advising on business planning and strategy. Limiting what data a non accredited third party can view and interact with would invoke unintended consequences, resulting invariably in service disruption.
- As above, Xero strongly recommends the ACCC work closely with accounting and bookkeeping industry associations to develop Rules that maintain the current level of utility and minimise disruption.

19. What transparency requirements should apply to disclosures of CDR data insights? For example, should ADRs be required to provide the option for consumers to view insights via their dashboard, or should consumers be able to elect to view an insight before they consent for it to be disclosed to a non-accredited person?

- Xero allows data owners to invite trusted parties to view or amend their business information within their subscription. Data owners can choose what access they grant trusted parties, ranging from full adviser access to read only with limited fields.
- Xero's customers currently have oversight and choice of the information they grant non-accredited third party access to. In Xero's case, this is a long held capability our customers are accustomed to.

### Extending the CDR to more consumers

- Xero will not require every bank to have workable CDR APIs before a transition to CDR APIs is feasible. Xero will however require CDR APIs to have complete account and product coverage. Complete coverage is required to offer a similar or better user experience, which is the internal threshold to transition to CDR APIs. Until this point is reached, Xero will maintain its batch transfer bank feeds. This approach will ensure Xero's customers maintain high quality, uninterrupted and consistent access to their bank data.
- Until Xero begins accessing CDR data, it will continue allowing customers to utilise our ecosystem under the SSAM framework. This will allow continuity of service until CDR data replaces batch transfers. We are hopeful the ACCC will recognise the SSAM as an affiliate equivalent, so when Xero does switch to CDR, millions of small businesses are not faced with service disruption.
- Xero strongly supports the CDR being expanded to include more consumers. A full coverage data sharing regime will provide the environment for maximum innovation and consumer outcomes. While complicated, business accounts must be included under the CDR as soon as feasible.
- Xero will not participate in the CDR if it does not include business accounts. If this was the case Xero would be forced to maintain both CDR APIs and batch transfers. Further, Xero would be forced to explain to customers which data transfer system they would require, based on their product mix. This would undermine the entire CDR regime and all benefits for small businesses.

### Facilitating improved consumer experiences

#### *Amending consents:*

- Flexibility to amend consents will help consumers maintain fit for purpose permission. In the UK open banking regime, an updated consent requires Xero to delete the previous consent, as opposed to updating it. This results in inefficiency, including re-applying to the data holder for access to data. Xero supports the proposed update, allowing consumers to amend consents to reflect their needs without the ADR being required to treat the update as an entirely new consent.

#### *Consumer consent dashboards:*

- Consumer dashboards have proved impossible to build in the UK because the banks give Xero overlapping consents. To be workable, banks need a standardised process to amend or delete existing consents.
- Managing a dashboard of all consents would require all dashboard holders to notify all other dashboard holders of any changes to consent as soon as it happens. The standards need to give guidance on exactly how this would work, what participants would receive, in what format, to what service level agreement.
- If customers need to change permissions via Xero we would prefer to send customers towards the banks to make the changes. If a dashboard was editable via the ADR, Data Holders and all other participants would need to “listen” for changes from ADRs. Further discussion is required regarding whether ADR dashboards should be view only, editable via the Data Holder as the source of truth, noting specificity of Data Holders will be required.
- Standards are required to determine how changed permissions would work and what information Xero would be required to send to the bank to facilitate a permission change. Only through explicit instruction is an up to date consent dashboard possible.
- To facilitate workable consumer consents economy wide, the process must be as standardised as possible. A standardised process would offer consumers a consistent user experience which is likely to build confidence, while giving certainty to CDR participants obligations are being met.

#### *Separating consents by data type*

- As per question 15, Xero should not be obliged to show all consent types. Xero needs all consents for the service to be delivered. The user should be required to agree to only one consent, to save customer confusion. Where the use case supports split consents,



the provider should be free to choose to offer to the consumer.

- Similarly, allowing different periods of consent is not feasible for Xero. If one consent lapses, the entire service delivery is unable to be delivered. Consumer error or lack of understanding could in effect damage the customer outcome. It is easy to imagine the consumer becoming frustrated or overwhelmed by a choice of which they do not understand the consequences. Xero suggests ADRs have the option to offer varying consent time periods if it is appropriate to their offer. If not, consents should be allowed to be offered to the consumer on a take it or leave it basis.
- Xero welcomes the explicit acknowledgement that CDR data de-identification requirements do not supersede existing record keeping obligations.

## Conclusion

We look forward to engaging further with the ACCC and Treasury to ensure a regime with high participation and positive consumer outcomes.

Kind regards



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