



20 July 2020

Australian Competition and Consumer Commission  
GPO Box 3131  
Canberra ACT 2601

Via Email: [ACCC-CDR@acc.gov.au](mailto:ACCC-CDR@acc.gov.au)

Dear Sir/Madam,

**Consultation — *Consumer Data Right (CDR) Rules***

As a major Credit Reporting Body in the Australian credit landscape, illion (formerly Dun & Bradstreet Australia and New Zealand) welcomes the opportunity to provide this submission to the ACCC, regarding the draft Rules (Rules) for authorised third parties to collect Consumer Data Right (CDR) data on behalf of another accredited person.

In many ways we are Australia's oldest FinTech. We have been in the data market in Australia for over 130 years so we have deep industry expertise. We have set up our own FinTech, Credit Simple, now with over one million members in Australia. We also run FinTechs, including subsidiary illion Open Data Solutions (formerly Proviso), the leading aggregator of banking data in Australia.

illion's digital infrastructure is relied upon by over 15,000 corporate and government clients, and over 1.3 million consumers. It is vital that regulatory reforms in our sector satisfy consumer demands and continue to foster an environment that enables agile data solutions

illion is a strong supporter of the implementation of a CDR in Australia. The CDR framework will provide substantial benefit to consumers, transforming the way they interact with the financial ecosystem by providing the ability and tools to safely share data with different proprietors, other financial institutions and FinTech companies. In doing so, consumers will be able to access the most appropriate and economical financial products to suit individual needs. Likewise, granting access to consumer data will ensure providers will be able to offer innovative products at more competitive rates. illion believes that intermediaries, such as credit reporting bodies, will be critical to the practical implementation of the CDR in Australia, beginning with Open Banking.

**About illion**

illion is a data and analytics business, operating in Australia since 1887. Using extensive credit and commercial databases, we assist banks, other financial services providers and other businesses to make informed credit and risk management decisions, and help consumers access their personal credit information. Our data assets, combined with our end-to-end product portfolio and proprietary analytics capabilities, enable us to deliver trusted insights to our customers in the banking and finance

industry and facilitate confident and accurate decision making. illion is highly invested in the Australian market with over 130 years of data history and experience.

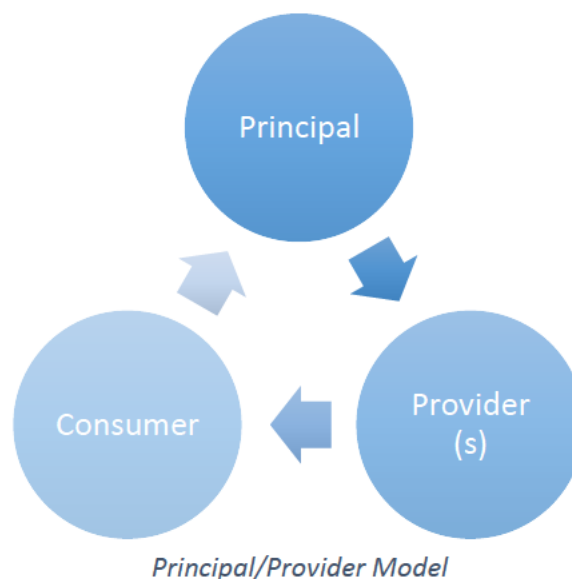
### Proposed Models

illion is a strong supporter of the Government's initiative to implement the Consumer Data Right (CDR) in Australia, and agrees that it will provide consumers with greater control over their own data and the ability to access more competitive deals and product innovation across different sectors. Furthermore, illion encourages the idea of extending the applicability of CDR beyond banking and energy, including (at an appropriate time) to additional sectors such as telecommunications and superannuation.

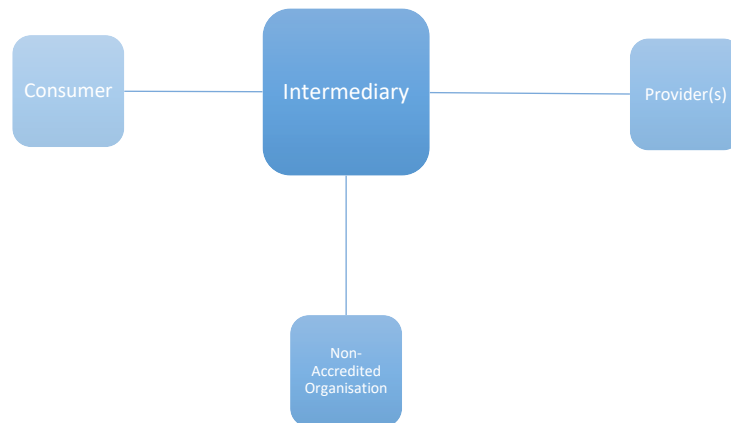
However, illion's view is that the proposed Principal/Provider model is overly restrictive in only enabling service providers to work directly with Principals while not addressing the market need for a true intermediary model.

The distinction illion see between these models is summarised as follows:

- A Principal/Provider model enables a Provider (such as illion) to develop services to navigate the CDR consumer consent model and with consent to connect to all CDR data holders. The Provider can then use this data to deliver data and services to the Principal. The Provider, Principal and Data Holders must all be accredited.



- An intermediary model enables the intermediary (such as illion) to navigate consent and connect to data holders as per the Principal/Provider model. Furthermore, the intermediary would be able to provide the data and additional services to Brokers, Neo-Banks, Small Financial Services organisation etc. in a controlled and regulated fashion that removes the need for these recipient organisations to be Accredited (or to be accredited at a lower level that removes the current costs and barriers of accreditation). In this model the intermediary would act as the gatekeeper to the CDR data, and as such our expectation is that accreditation for Intermediaries would be required.



*Intermediary Model*

illion’s view is that it is essential that intermediaries such as illion Open Data Solutions (ODS) are accommodated within the implementation of the CDR. Currently, illion ODS offers automated bank statement retrieval technology combined with high-speed analysis of income and expenditure data to hundreds of financial organisations in the Australian market. The technology incorporates robust security measures on par with security standards used by the major banks, encrypting data with 256-bit encryption and secured by 2048-bit keys. Consumer data is always processed in Australia, while independent external security personnel are engaged to carry out annual, detailed audits, including penetration testing. Importantly, consumer log in data is securely handled in line with industry best practice.

Third party data retrieval, analysis and categorisation services are crucial to maintain in an Open Banking environment due to the benefits offered through this technology to consumers. illion ODS facilitates data transfer on behalf of smaller lenders that do not have the resources or technological capabilities to develop and maintain their own application programming interfaces (APIs).

The risk in the proposed Principal/Provider model is that a two-tier market may be created consisting of organisations with the scale and capability to become ADRs and smaller organisations that are commercially unable to meet the accreditation requirements. A two-tier market would constrain the adoption of usage of Open Banking data, stifle innovation by placing barriers on new entrants and ultimately it will reduce the benefit to consumers delivered by the CDR.

**Accreditation and Security**

illion’s view is that the current drafting implies that CDR data can only be disclosed to another ADR if the data was initially retrieved for that express purpose. An example where it would be advantageous for an ADR to later disclose CDR data to another ADR would be in the process of a loan application where a broker may have commenced the original collection of the data for the purposes of assisting the client in selecting the best credit provider for the customer, it would be advantageous for CDR data to then be shared with the credit provider at the loan assessment stage to avoid collecting the data again from the consumer.

illion believe that an intermediary model would enable the CDR data to be securely managed whilst still enabling smaller financial services organisations to securely and with consent access CDR data for the benefit of consumers.

The CDR data that is provided by the Intermediary to the smaller financial services organisation would be subject to the Privacy Act and all of the consumer protections in the Act would be extended to this information.

## Digital Data Capture

In digital data capture (DDC), industry has a solution in place that works, with no indication from ASIC that there is any harm caused to consumers by this technology. Appearing before the Senate Select Committee on Financial Technology and Regulatory Technology on 27 February, Commissioner Sean Hughes observed that “there’s no evidence of which we’re aware of any consumer loss from screen scraping.”<sup>1</sup>

Intermediaries such as illion Open Data Solutions use DDC as part of data retrieval, analysis and categorisation services. Noting the widespread use of this technology, we consider that DDC will remain a necessary tool to use during and beyond the initial roll-out of Open Banking.

illion notes the inclusion of DDC in ASIC’s December 2019 revision of Regulatory Guide 209 (RG 209), validating its use and confirming the efficiency it provides to verification processes. According to ASIC:

*“Developments in relation to open banking and digital data capture services will affect the accessibility, and cost of obtaining transaction information and an overall view of the consumer’s financial situation. These kinds of services may also help licensees to streamline their process—for example, potentially enabling licensees to complete both inquiries and verification of consumer information.”*

illion is seeking a more definitive statement from the ACCC so that there can be no misunderstanding with respect to the appropriateness of the use of DDC in the current environment. illion believes it is time to be explicit regarding the application of DDC technology.

DDC is the process whereby a consumer consents to the collection of their screen display data from an application so that it may be translated and displayed via a second application, and accessed by a trusted third party such as illion. DDC is used widely in the financial services sector by lenders, financial management applications, personal finance dashboards, and accounting products to retrieve customer data. This data transfer technology enables lenders to better understand prospective customers and thereby fulfil their responsible lending obligations under the *National Consumer Credit Protection Act 2009* (Cth). Offering consumers a convenient and hassle-free way of providing information to a potential credit provider, DDC is a critical mechanism to empower consumers and facilitate competition in the provision of consumer credit.

It is more important than ever that entities can make fast, accurate, reliable decisions that are fair for the consumer. In this unusual context, with displacement of income and circumstances constantly

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<sup>1</sup> <https://www.afr.com/companies/financial-services/asic-accc-give-green-light-to-screen-scraping-20200228-p54588>


shifting, the old regime — which can take many months for payment difficulties to emerge — will not be effective.

During the implementation of CDR and Open Banking (and possibly even after full-implementation), there may still be significant use cases for DDC where it can and should coexist with the former. This continued utility may relate to real-time data provision; simplicity of customer on boarding; level and quality of data availability; and provide a redundancy fail-safe, for example, in a period during which an authorised deposit-taking institutions' (ADI) API is offline.

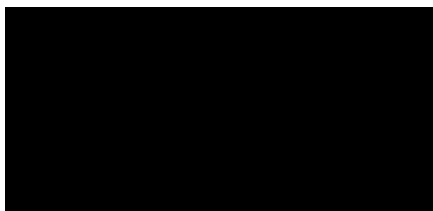
Within the proposed models, restrictions around the manipulation and joining of CDR and non-CDR data removes the opportunity to provide single data sets that cross both CDR providers and non-CDR providers.

To summarise, it is illion's view that to ensure the greatest possible uptake of CDR data to deliver the maximum benefit to consumers, while avoiding the risk of creating a two-tier environment where only organisations that can afford accreditation can participate, the following are necessary:

1. An intermediary model that allows intermediaries to act as a gateway to un-accredited (or more lightly accredited) financial services providers.
2. The ability for intermediaries to augment CDR data with non-CDR data (including DDC acquired data sets).
3. The explicit sanctioning of DDC to ensure that CDR isn't used as an opportunity to attempt to prevent DDC as a data collection mechanism to the overall detriment of the market.

If there are any questions or concerns arising from this submission, please feel free to contact me at any time at 

Yours sincerely,



**Richard Atkinson**  
**General Manager, Consumer Bureau**