



Will Devlin  
Acting Senior Adviser  
Open Banking Review Secretariat  
The Treasury Langton Crescent  
PARKES ACT 2600

22 September 2017

By email: [OBR@treasury.gov.au](mailto:OBR@treasury.gov.au)

Dear Mr Devlin,

## **REVIEW INTO OPEN BANKING IN AUSTRALIA**

American Express Australia (**American Express**) welcomes the opportunity to respond and engage with the Treasury's Issues Paper *Review into Open Banking in Australia*. American Express has worked with its industry representative, the Australian Finance Industry Association (**AFIA**) in the preparation of the AFIA's submission including voicing our perspective regarding the opportunities and challenges of an Open Banking regime in Australia.

### ***Broadly Aligned with AFIA's Submission***

American Express has also had the opportunity to review AFIA's final submission prepared on behalf of its over 100 member financiers (the **AFIA Submission**). Except where otherwise addressed within this letter, American Express echoes the comments and arguments put forward within AFIA's submission. The purpose of this letter is to include some additional comments as they relate more directly to American Express's unique perspective and its operations and experiences within the Australian market.

### ***The Open Banking Regime should include Consumer and Small Business Data***

American Express considers that the Open Banking regime should extend to small to medium-size enterprises (SME) otherwise known as small businesses for the following three reasons:

*a. Competition in SME market must be addressed and enhanced*

With our experience within the Australian market in issuing credit products we know that our customers and prospective customers deem any requirement to furnish a credit provider with bank transaction data to be a significant deterring factor influencing their decision to finalise or progress their final applications for our products. This is due to the potentially burdensome task of collating the relevant statements from their other financiers and uploading them into American Express application journey. If the proposed Open Banking Regime extends to the SME market, it is our perspective that this will significantly enhance competition within the SME credit and payments market.

*b. Australia's approach should attempt where possible to align and be consistent with international approaches*

Following the international trend, including the approach taken by the UK to include small businesses within the scope of its Open Banking regime, has many advantages for Australian credit and financial product issuers as the Australian economy continues to



converge into the global markets, and as international financiers look to interact with consistent standards and approaches.

*c. Regulatory Consistency*

Given that one of the primary advantages of the Open Banking regime is to enhance a credit provider's ability to comply with their regulatory obligations, and that those regulatory obligations at times extend to small business as well as consumers, it would only make sense to ensure that the Open Banking regime would also extend to small businesses. This would allow for the more effective implementation of protections for small business as well as business cost efficiencies as internal processes for small business can mirror those for consumers.

As an aside, the American Express business would welcome the opportunity to discuss the definition of what constitutes a Small Business at a later stage.

If you have any questions regarding this submission please contact Ryan Rayfield or Luke Wilson, at [ryan.j.rayfield@aexp.com](mailto:ryan.j.rayfield@aexp.com) or [luke.j.wilson@aexp.com](mailto:luke.j.wilson@aexp.com).

Yours Sincerely,

A handwritten signature in black ink, appearing to read "Ryan Rayfield", with a long horizontal flourish extending to the right.

Ryan Rayfield  
Vice President & Head of ANZ Legal  
General Counsel's Organization  
American Express Australia Limited