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Structural Reform Group
The Treasury
Langton Crescent
PARKES ACT 2600

Topic: Treasury Laws Amendment (Consumer Data Right) Bill 2018 (second stage) and Designation Instrument for Open Banking

To whom it may concern,

Further to our more detailed response to the initial Exposure Draft provided on 7 September 2018, Experian continues to support the Exposure Draft's approach in keeping the legislative framework broad, with the intent that the revised legislation is not only fit for purpose for the Open Banking regime, but is also future proofed for further adoption of CDR across other industries and sectors. Following review of the revised draft, in conjunction with the recently released Open Banking Rules by the ACCC we would just like to take this opportunity to re-confirm our position on some core areas with a focus on ensuring that the spirit of the proposed legislation is maintained and drives the greatest value to consumers.

The concept of “equivalent” data exchange

Experian fully supports the need for the legislative framework to provide a mechanism for ensuring that organisations are compelled to provide information, however we would recommend that this is clearly decoupled from a standard 'Reciprocity' framework, as has been adopted for other data exchange models such as Comprehensive Credit Reporting (CCR).

We would therefore advocate, that the legislation should continue to focus on driving an organisation's adoption and compliance to the CDR and that this should remain decoupled from the



individual requesting capability of a consumer to ensure that the value to the consumer is optimised. We note that this is the existing position being proposed by the ACCC rules framework.

The role of derived data in the CDR

Experian supports the intent of the Exposure Draft in relation to the role of value added customer data and aggregated data in so far as we believe third party intermediaries or other third parties such as Credit Reporting Bodies (CRBs) can add significant value to consumers and to ADIs through the creation of analytic or other tools to help share and interpret the data. However, we believe that these entities should not be compelled to transfer this data to other third parties or competitors.

To this end, we have recommended that the rules move away from using the term derived data, and instead position standard transformation / aggregation of consumers disclosed data as being acceptable for exchange (i.e. adding up debits and credits, calculating balances etc), but that anything else is a more complex derivation of data and should be excluded, and would advocate that the related legislation also adopts a similar approach to enable this activity.

The Importance of Consumer Education

What Experian has witnessed in other markets is the importance of consumer education, transparency, and control. The success of a Consumer Data Right regime is ultimately dependent on consumer adoption for the services to deliver value back to them. A solid understanding about who accesses the data, and how, is imperative to build and maintain trust in the system. In the UK, the focus on consumer education commenced just months before the go live date which resulted in low adoption and a portion of the population opposing to the new data sharing services available to them.

A clear consent regime for consumers is also important, as is an understanding how the environment will be managed, particularly what the legal framework is around misrepresentation and misuse of information. All this education is imperative to avoid an outcome where consumers are reluctant to participate or fearful of what more data sharing might mean for them.

In summary

As a firm believer in the power of customer data, and the benefit that this should bring to the consumers who are the rightful owners of this information, Experian is committed to providing products and services to assist individuals and corporations (as custodians of this information) to realise the opportunities that effective exchange of data holds. To this end, Experian is fully supportive of the move to an Open Data environment as set out in the Exposure Draft, and is already actively supporting this transition in several other markets globally, including the UK.

Experian welcomes the intent from the Exposure Draft to enable intermediaries to play an active role in facilitating and assisting organisations in achieving the objectives set out, and believes that the global experience that we have gained in this area over the last few years can assist in a swift and effective transition.

Experian can offer through global experience and local market expertise a consultative approach with all stakeholders to help operationalise CDR in the Australian market. We look forward to supporting industry and the Government with this body of work. For further information on this submission, please contact me at [REDACTED]

Yours sincerely,

Poli Konstantinidis

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About Experian

Experian Australia Credit Services Pty Ltd is part of Experian, the world's leading global information services company. During life's big moments – from buying a home or a car, to sending a child to college, to growing a business by connecting with new customers – we empower consumers and our clients to manage their data with confidence. We help individuals to take financial control and access financial services, businesses to make smarter decisions and thrive, lenders to lend more responsibly, and organisations to prevent identity fraud and crime.

We have 16,500 people operating across 39 countries and every day we're investing in new technologies, talented people and innovation to help all our clients maximise every opportunity. We are listed on the London Stock Exchange (EXPN) and are a constituent of the FTSE 100 Index.

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