

Competition and Consumer (Consumer Data Right) Rules Amendments

TrueLayer submission

29 July 2021

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By email to: data@treasury.gov.au

Subject: TrueLayer Submission - Competition and Consumer (Consumer Data Right) Rules 2020

Thank you for the opportunity to comment on this round of consultation of the Consumer Data Right.

About TrueLayer

TrueLayer is a UK-headquartered firm, founded in 2016, authorised by the UK's Financial Conduct Authority ("FCA"), incorporated in Australia and soon to be accredited under the CDR. We provide open banking services to customers via our clients' platforms (e.g app or website). Our clients tend to be FinTechs and high-growth tech companies, as well as larger financial institutions and online merchants.

TrueLayer is authorised to provide two open banking services, under the Payment Services Regulations in the UK:

- **Payment initiation services (PIS)** - we can initiate interbank payments (e.g. credit transfers) on behalf of a customer. We connect to the customer's bank, via open banking APIs (securely through the presentation of a valid electronic certificate), and submit a payment order to the customer's bank to pay their chosen payee. Payment initiation Service Providers (PISPs) are not responsible for the *execution* of the payment, but only for submitting a payment instruction to a bank for it to execute. PISPs are therefore not required to become direct participants of the payment systems. Instead, PISPs sit in the 'instructing layer' on top of existing payment systems.

PIS Example: Previously customers have had to manually set up bank transfers to send funds to their investment or savings accounts. This involved obtaining the account details from the investment provider, inputting these into online banking (or even over the phone or in a bank branch) and waiting for confirmation from the investment provider that funds had been received. Using PIS, TrueLayer integrates the bank transfer into the investment provider's app (see [examples](#)). All the customer has to do is select their bank and an amount, from within the investment app and authenticate the payment via seamless redirection to their banks app by inputting biometric credentials. This increases the safety and simplicity of the transaction, for example, there is zero risk of funds being sent to the wrong account because TrueLayer inputs the payee details. Unauthorised transaction risk is eliminated by the use of strong customer authentication.



- **Account information services (AIS)** - with a customer's permission, we can access their accounts with a single bank, or multiple banks, and retrieve their account data. Under the Payment Services Regulations, the bank must provide this data to authorised Account information service providers on presentation of a valid electronic certificate.

AIS example - Previously customers with accounts with multiple banks, would need to log in to each bank individually in order keep track of their finances. AIS enables a customer to use a single app (e.g. a dashboard app) to view their accounts in one place. Other applications of AIS enable customers to apply for financial products, such as mortgages or loans, without having to submit print-outs of their bank statements. Instead, lenders who have integrated open banking can request one-time access to a customers accounts, to retrieve the information needed to conduct an affordability check.

Rather than providing the above services through a dedicated TrueLayer app or website, TrueLayer integrates its AIS and PIS into the platforms of our non-regulated clients. In particular, we distribute our account information service through a network of agents, who provide AIS on behalf of TrueLayer in the UK.

Aggregation platform - TrueLayer also specialises in bank connectivity. Where our clients are regulated in their own right for open banking, we enable them to connect to all the banks via a single uniform API. By volume of AIS and PIS transactions via our regulated and non-regulated clients, we are the largest provider in the UK.

Our plans for Australia

Australia is a key growth market for our business, and our first expansion market outside of Europe. We welcome the ongoing amendments and consultation with regards to the CDR regime, and are encouraged by the clear regulatory and government support for FinTech in Australia.

In 2021, we will finalise our ADR accreditation and launch our API-based Open Banking platform in Australia to help local and international companies embed financial data - all with the appropriate consents and data protection in place. We will also help Australian FinTechs and scale-ups export their products globally with our platform, as we are already doing with Australian companies (like [Stake](#)).

We thank you again for the opportunity to contribute at this important time for the Consumer Data Right.

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Contents

Contents	3
Executive Summary	4
Increasing participation	4
Building confidence in the CDR	5
Driving compliance and accountability	5
Learning from the UK Agency Model	6
Recommendations	8
Submission	10
1.0 Schedule 1 - Sponsor Model	10
1.1 Affiliates required to obtain sponsor agreement before sponsored accreditation	10
1.2 Sponsors apply to the ACCC to nominate the Affiliates for sponsored accreditation	11
1.3 Affiliate can access CDR data under their own license without referencing the sponsor in collecting consent from the consumer	11
1.4 Recognition of non-Australian accreditation to accelerate participation in the CDR	12
2.0 Schedule 2 - Outsourced Service Providers (OSP)	13
3.0 Schedule 2 - CDR Representative Model	14
4.0 Schedule 3 - Trusted Advisers	15
5.0 Schedule 3 - CDR Insights	16
Broadening of the type of insights	16
6.0 Schedule 4 - Joint Accounts	18
Co-approval model and poor consent management UX and conversion	19
DOMS Platform & Data Holder options	20
Physical or financial harm or abuse might exist	20
Transition Period	20
Appendices	21



Executive Summary

We are encouraged by Treasury taking the opportunity to continue to update the CDR Rules (“the Rules”) from industry feedback and to help ensure that the rules are aligned with the Open Banking principles: *customer focused, encourage competition, create opportunities and be efficient and fair*.

We understand these Rule updates are intended to strengthen, widen and deepen the Consumer Data Right in order to facilitate greater participation in the CDR regime by participants and consumers. With this in mind we make a number of comments on these proposed Rules together with our Recommendations and Submission.

Increasing participation

We broadly welcome the introduction of these new CDR access arrangements to increase participation. In particular, to make it easier for intermediaries to operate effectively (improved OSP model) and to enable multiple paths for participation based on different business models (Representatives, Affiliates, Insights and Trusted Advisers).

We believe the Full Accreditation, Outsource Service Provider and the CDR Representative Models in their current form are likely to be the most utilised, unless some improvements are made to the others (as we have outlined in our Submission).

Specifically on the Affiliate model, while we fully agree with the intention behind new rules for Sponsors and Affiliates, we are concerned that the burden of the requirements involved in becoming an accredited affiliate will outweigh the benefits of the operating model as envisaged in the Rules. For example, we believe that it will be only marginally easier to obtain the sponsored accreditation, than the unrestricted ADR accreditation. Yet, affiliates will lack one of the key benefits of unrestricted ADRs - the ability to provide services in their own right to the customer, in a fully white-labelled way. Instead the affiliate will have to, at certain stages of the customer journey, explain to the CDR customer that they are sponsored.

From our experience in the UK and Europe, we believe businesses seeking access to CDR data will avoid the sponsorship routes, unless it gives the affiliate the ability to fully white-label the consumer journey. Instead, they will opt for the representative option (which is much less burdensome in terms of accreditation requirements), or for unrestricted ADR accreditation, which comes with the aforementioned benefits.



We also welcome the Joint Accounts improvements and removing the “double opt-in” model. This will have a significant impact on participation from consumers by unlocking a large number of accounts currently not available to be used in the CDR.

Building confidence in the CDR

We also understand that these improved access arrangements are designed to ‘strengthen’ the rules by confirming the treatment of a number of known issues. In addition, to the strengthening of the CDR Rules, we’d also like to highlight the need for additional focus from Treasury and the ACCC on building confidence in the CDR system by ensuring:

1. Compliance by Data Holders in publishing their APIs in accordance with the phased timetable, noting less than 20 Data Holders met their obligations by 1 July 2021;
2. The CDR access arrangements are implemented as a matter of urgency to enable participants to rely on these rules; and
3. Delivering consumer experience standards that are efficient and easy for consumers to understand.

We would recommend that Treasury endeavour to focus the majority of its efforts in resolving the known issues in the banking sector prior to rolling out (widening) the CDR into other sectors such as energy. In our view, the confidence in the Consumer Data Right needs to first be obtained with Australian consumers and participants in Banking.

We are encouraged by the willingness of Treasury to commence discovery of other industries, but there is real risk of the Consumer Data Right not achieving its stated objectives as an economy-wide foundation for the digital economy until we get successful use cases, and consumers using it

Driving compliance and accountability

In addition to the current proposed Rules update, we’d encourage Treasury and/or the ACCC to set some success metrics to drive accountability in making the CDR a success and consider introducing a regular reporting framework to which to report on the progress of the Consumer Data Right.

Now that we are 12 months in, we as a community have an obligation to ensure that the CDR meet’s its desired objectives. Without setting some clear goals and KPIs it is difficult to understand how we can get where we want to go. Treasury and the ACCC may have these as internal measures, but we’d hope that now is the right time to start sharing these publicly so that we can learn together through this journey.



Some areas that you might like to consider in this could include (but not limited to):

- # Consumers
- Data Holder Metrics (number and %)
- Data Holder Compliance with phased timetable
- Data Recipient Metrics
- Data Holder Rectification Schedules and Completion Rates
- ADR Applications
- ADRs Approved
- ADRs Active
- ADR Application timeframe
- API Performance and availability
 - Response time in milliseconds
 - Downtime
- API Security
- Data Scheme Quality

The UK's OBIE is a good example of a [monthly reporting framework](#) in which to provide confidence and accountability to the CDR system participants.

Learning from the UK Agency Model

I am sure you would be aware, the UK standards under PSD2 has a similar model of Agency for Account Information Service Providers (AISP) - see FCA [webpage](#) explanation. To assist with understanding our views and recommendations in this paper, we have also included an outline of the UK AISP Agency model to the proposed Australian Sponsor Models. **See Figure 1 in the Appendices.** The proposed CDR Representative model is most closely comparable with the UK Agent model.

As a matter of background, TrueLayer has a number of large and small clients who operate as TrueLayer's agents under TrueLayer's regulatory license with the UK's FCA. We are in charge of initial and ongoing due diligence of the agents to **make sure our clients adhere to the strict data protection and privacy regulations** that come with PSD2 API access. This has enabled more rapid go-to-market for innovative players, as well as provided valuable feedback to the regulators.

In the UK, we currently have over 50 agents who receive client banking data through TrueLayer's license as an account information services provider. These agents are publicly visible on the FCA Register¹, and include Australian firms such as Rapid Pay Legal as well as international

¹ TrueLayer FCA Register entry, see heading "Who is this firm connected to?" for a full list of our Agents: <https://register.fca.org.uk/s/firm?id=001b0000042fMZyAAM>



organisations like Olivia.ai and Numbrs with millions of customers. In this model TrueLayer is responsible for applying to the regulator (the FCA or CBI or BaFin) to appoint the agent.

We perform rigorous due diligence on these firms, and perform ongoing automated and spot-check monitoring to ensure that firms are securely handling consumer data and acting in compliance with legislation. The FCA can and does investigate the appointment of agents and the agents themselves. Not every Account Information Service Provider is allowed to appoint agents, with some having restrictions placed on them preventing them from appointing agents.



Recommendations

#	Category	Recommendation
1	Sponsor Affiliate Model	<p>Recommendation 1.1 - TrueLayer recommends the introduction of the Sponsored Accreditation model, but with some improvements. We recommend that the Affiliate obtain the sponsor agreement before the accreditation, with the Sponsor recommending the Affiliate for accreditation. This should remove a scenario of “sponsorship shopping” where an accredited company seeks to obtain the easiest route to launch and puts unreasonable pressure on sponsors given the 4 month timeframe.</p> <p>Recommendation 1.2 - Given 1 above, TrueLayer recommends the removal of the 4 month expiration for accreditation. This would not be required, and would reduce complexity and “sponsor shopping” to ensure sufficient compliance processes are followed and not rushed within 4 months.</p> <p>Recommendation 1.3 - Since Affiliates are undergoing a full accreditation, albeit with the support of a Sponsor, TrueLayer recommends the Affiliate should be able to provide CDR service in its own right, without having to mention the Sponsor in its communications with the customer. This would make this accreditation type unique compared to the Representative model and is a regular request we get from our clients in the UK.</p>
2	Outsourced Service Providers	<p>Recommendation 2.1 - TrueLayer recommends the widening of the OSP rules in Schedule 2 to allow non-accredited OSPs to collect CDR data on behalf of an ADR.</p> <p>Recommendation 2.2 - TrueLayer recommends the widening of the OSP rules in Schedule 2 to allow the subcontracting of collection services.</p>
3	CDR Representatives	<p>Recommendation 3.1 - TrueLayer recommends the introduction of the CDR Representative model.</p> <p>Recommendation 3.2 - We recommend this model be prioritised (if needed) in its application so to provide a participation arrangement that opens up participation sooner because the onus of compliance is placed on an unrestricted ADR, rather than the ACCC to undertake the assessment of compliance on many smaller firms</p>



4	Trusted Advisers	Recommendation 4.1 - TrueLayer recommends the introduction of an access arrangement for Trusted Advisers. However, as the Rules currently stand, it seems practically impossible to require an ADR to verify each and every Trusted Adviser prior to sharing data. Without a reasonable technological solution in the market (none that we are aware of), it would not be possible for an ADR to do this, and therefore be held responsible. Until this is feasible we are unsure how this could be facilitated and would recommend Treasury consider the technical implementation if not already.
5	CDR Insights	Recommendation 5.1 - TrueLayer recommends the introduction of the CDR Insights model under Schedule 3, but with some improvements. Recommendation 5.2 - TrueLayer recommends that the type of CDR insights be broadened beyond the prescribed insights listed in the Rules. Instead, a CDR Insight should be defined with respect to a set of guidelines or principles to which an ADR should be held responsible and abide by.
6	Joint Accounts	Recommendation 6.1 - Truelayer recommends the provision for joint accounts to be in scope for data sharing under the CDR by default (a 'pre-approval' setting), and allowing a single account holder to consent to CDR data being shared. We are strongly against the current double opt-in or co-approval model as the default model. Implementation of a co-approval or double opt-in model will increase implementation issues and reduce participation by consumers from using the CDR. Recommendation 6.2 - TrueLayer does not recommend that the co-approval model be implemented in the CDR consent management journey. It should be removed for Data Holders. Recommendation 6.3 - TrueLayer recommends Treasury consider requiring Data Holder's comply with the DOMS platform sooner than April 2022. The current default double opt-in model will impact consumer participation until the default option is resolved.



Submission

1.0 Schedule 1 - Sponsor Model

Recommendation 1.1 - TrueLayer recommends the introduction of the Sponsored Accreditation model, but with some improvements. We recommend that the Affiliate obtain the sponsor agreement before the accreditation, with the Sponsor recommending the Affiliate for accreditation. This should remove a scenario of “sponsorship shopping” where an accredited company, seeks to obtain the easiest route to launch and puts unreasonable pressure on sponsors given the 4 month timeframe.

Recommendation 1.2 - Given 1 above, TrueLayer recommends the removal of the 4 month expiration for accreditation. This would not be required, and would reduce complexity and “sponsor shopping” to ensure sufficient compliance processes are followed and not rushed within 4 months.

Recommendation 1.3 - Since Affiliates are undergoing a full accreditation, albeit with the support of a sponsor, TrueLayer recommends the Affiliate should be able to provide CDR service in its own right, without having to mention the sponsor in its communications with the customer. This would make this accreditation type unique compared to the Representative model and is a regular request we get from our clients in the UK.

We welcome the introduction of the concept of a Sponsor/Affiliate model to the CDR rules by Treasury. We are of the view that a well-functioning Affiliate model can increase participation. We do however, recommend some improvements for it to be more effective and attractive for Sponsors and Affiliates alike..

1.1 Affiliates required to obtain sponsor agreement before sponsored accreditation

Under the Rules, persons who wish to participate in the CDR system as Affiliates must have:

- Both sponsored accreditation; and
- A sponsorship arrangement in place before they can access CDR data.

Further, based on the Rules, the accreditation criteria for sponsored accreditation will be the same as for unrestricted accreditation and must be submitted to the ACCC to obtain accreditation.

We recommend that the Affiliate obtain the sponsor agreement before the accreditation, with the



Sponsor recommending the Affiliate for accreditation. This should remove a scenario of “sponsorship shopping” where an accredited company seeks to obtain the easiest route to launch and puts unreasonable pressure on sponsors given the 4 month timeframe.

Given 1 above, TrueLayer recommends the removal of the 4 month expiration for accreditation. This would not be required, and would reduce complexity and “sponsor shopping” to ensure sufficient compliance processes are followed and not rushed within 4 months. This will strengthen the integrity of the CDR.

1.2 Sponsors apply to the ACCC to nominate the Affiliates for sponsored accreditation

As the main accredited entity, Sponsors should be responsible for nominating Affiliates to the ACCC to obtain their Sponsored Accreditation. The form for such appointments should include necessary questions to ascertain that the Sponsor has performed the necessary due diligence prior to the application.

Example from the UK’s FCA

Here is a link to the [FCA’s PSD Agent appointment form](#), which TrueLayer completes for any agents we appoint. It includes company information, confirmation of the existence of various relevant policies, ‘fit and proper’ individuals, and a number of other attestation boxes that the FCA uses to ensure we have conducted all required due diligence. Untruthful submissions are a criminal offence. Agent appointments can be as fast as 2 days to 3 weeks for a UK entity, and follow-up questions vary depending on the agent and situation. They have included detailed reviews of customer journeys, spot checks on our ongoing monitoring program and all due diligence files from specific agents.

1.3 Affiliate can access CDR data under their own license without referencing the sponsor in collecting consent from the consumer

Since Affiliates are undergoing the same accreditation, albeit with the support of a Sponsor, the affiliate should be able to provide CDR service in its own right, without having to mention the Sponsor in its communications with the customer. In the UK we have found that being able to ‘white-label’ consumer facing screens is extremely important to clients, and it is much more likely that businesses will seek to go down the affiliate route if they are able to own the consumer journey without mention of the Sponsor. We suggest that the amendment at 1.14(3)(h) together with similar provisions which requires the Affiliate to display Sponsor details to the consumer be removed or amended.

1.4 Recognition of non-Australian accreditation to accelerate participation in the CDR

There are large numbers of regulated FinTech firms in Europe, such as TrueLayer, who specialise in building technology that would help deliver the government’s aims for FinTech. To provide their services to the market, these firms have had to ensure they meet the high expectations of EU



regulators, in particular in respect of stringent data protection, privacy and information security measures (for example under the PSD2 regulations).

We believe that recognition of non-Australian accreditation and certifications would speed up the rate at which FinTechs can provide their infrastructure services to the Australian market, which would be beneficial to the Australian economy and job market, and speed up the growth of local FinTechs and Regtechs.

We recommend focussing on enabling greater participation by international fintech firms in Australia, and vice versa through recognising regulatory accreditation, before exploring cross border data sharing arrangements as an example.

We recommend you could also consider making it easier for international corporations to participate using their internationally regulated entity, even just as an interim measure.



2.0 Schedule 2 - Outsourced Service Providers (OSP)

Recommendation 2.1 - TrueLayer recommends the widening of the OSP rules in Schedule 2 to allow non-accredited OSPs to collect CDR data on behalf of an ADR.

Recommendation 2.2 - TrueLayer recommends the widening of the OSP rules in Schedule 2 to allow the subcontracting of collection services.

Schedule 2 to the Rules also amends rule 1.10 to allow any OSP, whether accredited or not, to collect CDR data on behalf of an ADR and to use that data, or data the ADR has disclosed to the OSP, to provide goods and services to the ADR. This will allow ADRs to use the services of an unaccredited OSP to collect data directly from a data holder on their behalf.

In addition, Schedule 2 to the Rules also removes the prohibition on subcontracting of collection services. This prohibition was required to ensure only accredited OSPs could collect CDR data on behalf of the principal under the existing rules, and is no longer necessary given the expansion to unaccredited OSPs.

We agree with Treasury that both of these measures will improve participation and reduce cost in the collection of CDR Data whilst ensuring there is protection and responsibility by the ADR. We are aware of a number of use cases where this would increase participation in the CDR and therefore welcome the widening of the rules. This is particularly important for enabling intermediaries to participate in the market with ADRs.



3.0 Schedule 2 - CDR Representative Model

Recommendation 3.1 - TrueLayer recommends the introduction of the CDR Representative model. This model is consistent with the UK Agency model.

Recommendation 3.2 - We recommend this model be prioritised (if needed) in its application so to provide a participation arrangement that opens up participation sooner because the onus of compliance is placed on an unrestricted ADR, rather than the ACCC to undertake the assessment of compliance.

Schedule 2 to the Rules establishes the CDR representative model which allows eligible participants to access CDR and use data without the need for accreditation in circumstances where they offer CDR-related services to consumers as a representative of an ADR.

TrueLayer recommends the introduction of the CDR Representative model and the prioritisation of this model in its implementation to increase participation. This model is consistent with the Agency model in the UK (Please refer to our recommended design principles set out in our submission on 1 April 2021 (see Figure 1.0).



4.0 Schedule 3 - Trusted Advisers

Recommendation 4.1 - TrueLayer recommends the introduction of an access arrangement for Trusted Advisers. However, as the Rules currently stand, it seems practically impossible to require an ADR to verify each and every Trusted Adviser prior to sharing data. Without a reasonable technological solution in the market (none that we are aware of), it would not be possible for an ADR to do this, and therefore be held responsible. Until this is feasible we are unsure how this could be facilitated and would recommend Treasury consider the technical implementation if not already.

Schedule 3 to the Rules allows consumers to nominate persons as *trusted advisers* to whom an accredited person may disclose the consumer's data outside the CDR regime. The classes of trusted advisers are professions that are sufficiently regulated to ensure a strong level of consumer protection is maintained.

We are supportive of the introduction of an access arrangement for Trusted Advisers as this will increase participation for many other business models (like accounting platforms, accountants and brokers). However, as the Rules currently stand, it seems practically impossible to require an ADR to verify each and every Trusted Adviser prior to sharing data.

From the EM: *"An ADR cannot disclose CDR data to a trusted adviser unless it has taken reasonable steps to confirm the person to whom the data is to be disclosed is a member of a class of trusted advisers set out in the CDR Rules (rule 7.5A(3)). It is envisaged that what constitutes reasonable steps will be detailed in guidance material. However, these steps might include the ADR checking a register for the relevant class of trusted adviser or seeking confirmation from the trusted adviser."*

Without a reasonable technological solution in the market (or none that we are aware of), it would not be possible for an ADR to do this, and therefore be held responsible. Further, the complexity of the consumer dashboard to indicate what data was disclosed, when and to whom becomes increasingly more complex for each and every trusted adviser. In addition, the record keeping obligations are onerous. We'd recommend Treasury consider the technical challenges in implementing such a model prior to making this mandatory.

We also suggest that further reliance should be placed upon the consumer's appointment of the agent to receive that information and should responsibility should sit with the consumer, their agent and their commercial arrangements.



5.0 Schedule 3 - CDR Insights

Recommendation 5.1 - TrueLayer recommends the introduction of the CDR Insights model under Schedule 3, but with some improvements.

Recommendation 5.2 - TrueLayer recommends that the type of CDR insights be broadened beyond the prescribed insights listed in the Rules. Instead, a CDR Insight should be defined with respect to a set of guidelines or principles to which an ADR should be held responsible and abide by.

Schedule 3 to the Rules introduces the concept of a CDR insight, which allows CDR consumers to consent to their data being shared outside the CDR regime for **prescribed purposes** that are considered low risk and that are designed to limit the data shared to only what is necessary for the consumer to receive a service.

We recommend to Treasury that an accredited data recipient (ADR) should be able to share insights derived from CDR data (but not CDR data itself) with an unaccredited participant with the **consumers explicit consent** under the CDR Insight model. This model would enable a number of use cases to be facilitated without an increased level of risk with regards to the CDR data.

We believe that this would enable greater participation without an unreasonable increase in risk. In these scenarios, it is an accredited participant that is providing an insight to an unaccredited participant, there would be a commercial contract between the ADR, recipient and consumers, and it would be done using explicit consumer consent.

Furthermore this type of CDR access arrangement **reduces the risk** of CDR data being used or accessed for a purpose other than for what the consumers has provided consent. This is a one time authority in which to provide an insight for a specific outcome (for example a verification or loan application).

Broadening of the type of insights

We further recommend that the type of insights should be broadened outside of those 4 categories listed. Whilst we acknowledge this is a good starting point for the types of insights that can be shared, having a short prescriptive list will limit the ability for participants to provide a broad range of services to consumers.



Treasury have defined the prescribed list as “low risk” but in doing so, also create a category of “non allowed insights” that cannot be shared, and therefore limiting the types of services that can be offered using CDR Data. Treasury may instead like to consider a “black list” to reduce non-allowed insights if there are specific concerns.

Instead of using a prescribed list, a CDR Insight could be determined (and shared) by the ADR subject to a set of guidelines which could include:

- a. Explicit consumer consent;
- b. Should not be CDR data;
- c. Explain to the consumer what the insight is being used for;
- d. It should be updated in the consumer dashboard;
- e. Advise the consumer that the insight is being provided to a non-accredited party with their consent;
- f. ADRs would be responsible for ensuring that the CDR insights they disclose align with the purpose consented to by the consumer;
- g. The data minimisation principles applies; and
- h. Insight is not [sensitive information](#) as defined in the Privacy Act 1998.

There are a number of insight services which would not be covered by the prescriptive list, most of which involve the data holder simply answering a yes no question, based on an examination of data they hold, without ever disclosing the underlying account data. For example:

- Age verification
 - Does the account data indicate the customer is over 18? Y/N
- Proof of residence
 - Does the account data indicate the customer is in the country? Y?N
- Affordability
 - Is the customer's account currently overdrawn? Y/N
 - Does the customer regularly go overdrawn? T/N



6.0 Schedule 4 - Joint Accounts

Recommendation 6.1 - Truelayer recommends the provision for joint accounts to be in scope for data sharing under the CDR by default (a ‘pre-approval’ setting), and allowing a single account holder to consent to CDR data being shared.

Recommendation 6.2 - TrueLayer does not recommend that the co-approval model be implemented in the CDR consent management journey. It should be removed or remain optional for Data Holders.

Recommendation 6.3 - TrueLayer recommends Treasury consider requiring Data Holder’s comply with the DOMS platform sooner than April 2022. The current default double opt-in model will impact consumer participation until the default option is resolved.

Truelayer is supportive of, and recommends, the provision for joint accounts to be in scope for data sharing under the CDR by the default of a ‘pre-approval’ model as proposed under the Rules (rule 4A.4(1)(a)).

We are **strongly against the current double opt-in or co-approval model** as the default model. Implementation of a co-approval or double opt-in model will increase implementation issues and reduce participation by consumers from using the CDR.

In the UK, the principle is that anything that a customer can access via direct online banking, they should be able to access via open banking providers. That includes joint accounts. All customers can access their joint accounts via online banking without having to ask permission of the other account holder, and so it is the same with open banking. The majority of UK banks have followed this principle (e.g. you can add your joint account to an aggregator app and share data) without the account holder having to consent to this.

The only outlier in the UK is Barclays, who have created a double opt-in model ([see Barclays guidance](#))² As far as we are aware, they have now moved away from this as it has resulted in reduced participation and a lot of friction for their users in implementing this model. Given this as an example, a “pre-approval model” would cover the majority of account holders, whilst providing consumer protection for those that want to opt-out.

In addition, we recommend:

- Consent should follow the permissions that already exist in online banking permissions with joint account holders where possible. Money and data should inherently flow in the

² <https://www.barclays.co.uk/help/online-banking/open-banking/data-share-joint-account/>



similar fashion and therefore the joint account access should follow a similar process, unless the account holder seeks to choose otherwise under the other options available.

- Limit the amount of push notifications sent to consumers where possible. Notifications should be focussed on the authorisation and consent for data sharing to encourage participation. However, they should be logged and accessible to consumers at request.
- Sharing of data on a joint account can only occur with the explicit consent of at least one joint account holder and the Rules set out the mechanisms by which a joint account holder may adjust or change the pre-approval option in the DOMS platform.
- Any joint account holder will be able to withdraw a consent for data sharing on an account at any time.

Co-approval model and poor consent management UX and conversion

We broadly do not support the co-approval model being implemented as part of the implementation of joint accounts.

As we understand from the Rules, under the co-approval model, CDR data relating to the joint account may be disclosed in response to a valid consumer data request by one joint account holder only after:

- (i) that joint account holder has authorised the disclosure; and
- (ii) each of the other joint account holders has approved the disclosure;

We are concerned about the practical application of the co-approval model and the impact on the consumer take-up where this option is chosen. From our experience in building and [optimising consumer experiences in open banking](#)³, we know that the longer the journey is, and the number of screens increase, conversion rate decreases for a consumer successfully completing the sharing of their bank data.

In practical terms, a co-approval model in the consent management journey, would require one or more account holders, to co-approve at the point in time to share data with another party. Should that co-approval not happen immediately, then this could greatly impact the conversion, and would likely result in data not to be shared because it is “too hard”.

Whilst we acknowledge this would be an improvement on the current double opt-n through the Joint Account Management System (JAMS), this does not improve the outcomes for the process to be efficient.

³ <https://truelayer.com/blog/cma9-bank-flows/>



DOMS Platform & Data Holder options

We are supportive of improvements to the currency JAMS platform to introduce functionality for the “pre-approval” model.

As noted above, we would recommend that the DOMS platform be delivered for the pre-approval and no-approval models to enable Data Holders to deliver this capability sooner. We would recommend the co-approval functionality not be developed or implemented.

This would help the Data Holders to deliver the functionality of the DOMS quicker, and in turn help participation by consumers in the CDR.

Physical or financial harm or abuse might exist

We welcome the introduction of specific measures with respect to providing for consumers scenarios where physical or financial harm or abuse is present. However, it is unclear what additional harms could occur from a consumer viewing their joint account data via an ADR vs. viewing that same data via online banking. The consumer would only be able to authorise access via an ADR if they already had access via online banking.

Transition Period

We acknowledge that the delivery of the DOMS by Data Holders will take time to develop. TrueLayer recommends Treasury consider requiring Data Holder’s comply with the DOMS platform sooner than April 2022. The current default double opt-in model will impact consumer participation until the default option is resolved. This could be shortened by removing the need for the co-approval model.



7.0 Appendices

Figure 1: Comparison of Agency Models

We previously shared these Design Principles in our submission to Treasury on 1 April as part of the consideration of CDR Access Arrangements.

Recommended Design Principles by TrueLayer in 1 April Submission	Stated Principles	AU Affiliate Model	AU Rep Model
1. Sponsors should be required to obtain unrestricted accreditation	Integrity & Control	✓	✓
2. Sponsors take on liability for their Affiliates actions towards the consumer	Integrity & Control	In part	✓
3. Sponsors should be able to pass on their accreditation to an Affiliate	Integrity & Control, Participation, Reduce Cost	✗	✓
4. Sponsors apply to the ACCC to appoint Affiliates	Integrity & Control, Participation, Reduce Cost	✗	✓
5. Sponsors must maintain due diligence & monitoring processes, and be monitored in turn	Integrity & Control,	✓	✓
6. Sponsor can attest to Affiliate's adherence to the Rules and information security setup	Integrity & Control, Reduce Cost	✗	✓
7. Sponsors can appoint multiple Affiliates subject to approval by the ACCC	Participation	✓	✓



8. Affiliates are recorded on the CDR Register against the Sponsor's entry and vice versa	Integrity & Control,	✓	✓
9. Affiliates are required to disclose to the consumer under which Sponsor they act	Integrity & Control,	✓	✓
10. Affiliates are restricted from using more than one Sponsor or becoming an ADR	Participation	✗	✓

Please refer to our submission on 1 April for the remaining detail on the design principles.

ENDS