

[Redacted]

**Subject:** CDR strategic assessment

Hi Jess

Thank you for the opportunity to participate in the non-bank lender and loyalty roundtables as part of the strategic assessment consultation. I appreciate that submissions have now closed but we were hoping you would take onboard American Express' follow-up comments below. We support consideration of a practical roadmap for the economy-wide rollout of the CDR and think it's important to ensure consumer uptake. We would welcome the opportunity to continue to engage with treasury on its future rollout.

### **Open Finance**

Given the complexities of the CDR framework and the significant human and capital investment required to participate, we believe the most effective way to progress an economy-wide rollout is to move away from a sector-by-sector approach and focus on prioritising common datasets across sectors.

Given the work and investment already underway in the banking sector, in our view, the most obvious extension would be to align with the current approach to Open Payments and push towards Open Finance in Europe and even, a broader conception of everyday retail finance. The data exchange of all financial product information would drive digital innovation and competition and unlock increased benefits for consumers.

#### *Payment Products*

We valued the consultation on 'non-bank lending', however we think that limiting any designation to such a small component of the finance sector would be short sighted. It is important to recognise that the lending and payments industry is changing rapidly. Whilst the relationship between consumer and their bank remains the primary financial relationship, increasingly consumers have multiple products with a range of providers – digital wallets, aggregators/stored value facilities and buy now pay later providers. Increasingly, clear sector delineations are hard to identify.

A designation purely on non-bank lending could unnecessarily limit the range of data to a subset of regulated consumer credit products. To manage personal finances, consumers need to be able to see their transactions across all relationships. We believe the slower uptake of CDR can be partly attributed to the limited data sets available. Simply adding non-bank lending will do little to move the needle. To succeed, the CDR needs to reach a critical mass of data across multiple finance products and services to add value. A piecemeal approach will take too long.

#### *Personal Finance*

We suggest that the next stage of the CDR focus on personal finance as a simple 'near in' user story that will bring considerable value and increased adoption. The focus should be on 'use cases' across sectors that are connected to everyday consumer finance and – for example, data that will allow households to manage budgets, find better products, take advantage of promotions/offers, get value out of their multiple loyalty currencies and find ways to invest.

### **Government datasets**

Whilst it is important to foster sharing of data across the private sector, we also think consideration needs to be given to how government can make further electronic data sources

available to improve consumer outcomes.

There are many data points and sets made available online to consumers by government agencies today. If the data is already being provided to consumers directly online, data could be provided to third parties at that same consumer's direction under the CDR. Some of these data sets will improve efficiencies across the economy – others will lend themselves to more transformative applications. A simple process improvement, for example, would be to allow consumer income data to be made available through the Australian Taxation Office. Providing a mechanism by which a consumer can provide (and a lender to verify) income through ATO online records will not only improve processes, it will support lenders achieve many of the responsible lending requirements under the National Consumer Credit Protection Act. Whilst some income data may be indirectly accessible through banks under the CDR, we note that bank statement data does not provide gross pay or exact employer information.

The more independent and reliable electronic information that is available to credit providers, the more efficient and better decisions they can make. With the necessary privacy protections (which the CDR framework could provide), making some information available to credit providers or through third parties would significantly streamline access to credit in the economy. We have made this point previously in the context of the government's proposed consumer credit reforms.

### **Public awareness**

The potential for the CDR can only be fully realised when consumers are aware, educated and empowered to use their data. We think there could be a more concerted effort to increase public awareness of the benefits of the CDR through information campaigns. This important consumer education piece should be central to the rollout as ultimately, the CDR cannot succeed without consumer appetite.

Thanks for your consideration. We are very happy to discuss.

Kind regards,  
Sarah

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[REDACTED] Express made the following annotations

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American Express a ajouté le commentaire suivant

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