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RE - Implementation of economy-wide Consumer Data Right – Strategic Assessment

Executive Summary

iSelect is one of Australia’s leading comparison services. For more than 20 years, we’ve been helping everyday Aussies save on a range of household bills such as health insurance, energy and broadband and through our thorough needs analysis, we ensure plans, offers and products we recommend align to customers’ requirements. Our experience across a broad spectrum of household bills, and investment in ongoing consumer research gives us a unique insight into relevant buyer behavior and perceived barriers to switch.

iSelect has proposed the industries of health insurance, general insurance, and non-bank lending as sectors to be designated as Data Holders under the Consumer Data Right. There is a high degree of consumer benefit to be gained should product and consumer data sharing be enabled in these sectors. These sectors are suggested based on the current barriers to switching, the potential consumer benefits, the applicability across a consumer’s lifecycle, and the potential to increase transparency across industries.

Health and General insurance are some of the most frequently compared products that consumers contact us for, and despite meaningful average savings we can provide, the complexity of the transactions discourage consumers to initiate the process and for those that do, we find there is a high drop off or failure to complete due to extensive data requirements.

The consequence is that millions of Australians may be paying more for household bills than they need to, and in many cases are on plans that are no longer suited for their life stage. Similar challenges exist in non-bank lending, where the complex onboarding journey and confusion in accessing accurate comparisons can have a meaningful impact on Australians with unnecessarily high fees and charges.

About iSelect

At iSelect, we’re passionate about helping Australians reduce their household bills. Our vision is to make Australians’ lives easier by saving them time, effort and money. Last year, we helped 1.7M Australians to compare insurance and utilities products. Comparing online is just one step in our

comparison and purchasing service. While our comparison services are initially provided via our website, most consumers speak over the phone with one of our trained consultants, who help them to choose a suitable product from those made available from our range of providers. We save our customers hassle by helping them take care of the process, from initial comparison through to completing the purchase.

Our dedicated team services a range of household decisions and expenses, from choosing a health insurance policy, energy provider, through to comparing home loans or internet plans. At iSelect, we can help with almost every type of insurance, including life and income protection, car, home & contents, business, travel and even pet insurance. We compare a wide range of Australia's leading brands and our support is provided at no cost to the customer. We are proud to be ASX-listed and, unlike some other comparison sites, we are not privately owned by an insurance company. As well as our flagship iSelect brand, the iSelect Group also owns Energy Watch.

1. Are there examples of use cases of particular life events or key consumer activities where access to consumer data within or across sectors could significantly improve consumer experience and outcomes? If so, how should such use cases be prioritised?

iSelect suggests health insurance, general insurance and non-bank lending as key industries where access to consumer data would significantly benefit Australian consumers and businesses. These are selected based on:

- Current barriers consumers face in accessing this data and frictions removed with this data sharing;
- The benefits gained by consumers including but not restricted to customer savings;
- How frequently customer needs change in relation to life events and the customer lifecycle.

Identity Confirmation

A key enabler across industries to reduce barriers to entry, switch providers, or bundle products, is for consumers to provide proof of identity.

The potential to rely on a third party's identity assessment would remove customer barriers while ensuring identity documents are secure. This could be through a Data Holder (e.g. bank, digital ID provider) that has already conducted the assessment.

Another option is for consumers to share their government-issued ID details with a Data Recipient that requires identity verification. This would enable consumers to consent to share their identity

data now, similar to sharing banking account data, so they wouldn't have to remember or find their document numbers.

The resulting streamlined proof of identity process will simplify the customer journey and significantly reduce the effort and time required to update personal details, investigate offers or update plans across all industries.

Product Reference Dataset Required	Consumer Dataset Required
n/a	<ul style="list-style-type: none"> ● Verification of identification status ● Verification of current government-issued document ● All details available on a document (e.g. licence class, conditions, number, issue date, expiry date) ● Document history (e.g. date of full licence, P plate)

1) Health Insurance

iSelect considers health insurance an industry to be designated as a Data Holder in the CDR. This is due to:

- The lack of consumer knowledge of the product range,
- The complexity of the onboarding journey and
- The likelihood that this results in a consumer having a policy that does not meet their needs.

The health insurance industry is a large addressable market, relevant across someone's whole life with reporting from ages 0-4 to 95+. The distribution of insured people over age groups is consistent across all states and territories¹. With potentially millions of Australians overpaying, overinsured, or underinsured with their policies.

Hospital and General Treatment cover, a brief outline

The health insurance industry contains two primary types, Hospital cover of which there are around 11.197M members or 44% of the population, and General Treatment cover (more commonly known as extras cover) of which there are 13.599M members or 54% of the population. Most insurers offer both types of cover individually, in addition to combined policies. The market for health insurance is fairly stable with both hospital and General Treatment cover reporting a

¹ "Private Health Insurance Annual Coverage Survey | APRA." 22 Jul. 2021, <https://www.apra.gov.au/private-health-insurance-annual-coverage-survey>.

small increase in members since March 2021.² A consumer's motivation for obtaining these cover types varies significantly.

Hospital cover

Hospital cover relieves some financial burden from Medicare, and as such, there may be a tax benefit to the consumer for obtaining and holding this type of cover. Two (of several) factors that may motivate a consumer to obtain cover for the first time are the MLS (Medicare Levy Surcharge), which applies to Australian citizens with income over a given threshold, and LHC (Lifetime Health Cover) loading, which commences for most uninsured Australians from the 1st of July following their 31st birthday.

A consumer that obtains Hospital cover for the first time may opt for a basic level of cover, and transition to a higher level of cover in the future. Higher tiers cover more hospital procedures, including procedures commonly associated with life events (such as pregnancy and palliative care). A consumer's coverage needs for health insurance change frequently, depending on their income, lifestyle, family circumstances, age, and other personal circumstances.

Hospital cover policies are classified in four tiers: Basic, Bronze, Silver and Gold. Policies in these tiers are required to cover a standardised list of treatments, which assists the consumer to evaluate different policies. Insurers also have the option to offer policies with additional coverage beyond the requirement of the tier, and these are marketed as Plus policies (for example, Bronze Plus).

Plus-designated policies can include any mix of additional procedure coverage, and increased coverage of procedures that are otherwise restricted (partly covered). The burden is generally on the consumer to understand and evaluate the additional coverage offered by these policies, and to consider these factors when evaluating their current policy against alternatives. As an example, a consumer currently holding a Silver Plus policy could switch to another Silver Plus policy, and be unaware that their coverage with regard to inclusions may have changed.

General Treatment cover

General Treatment cover allows the consumer to claim some, or all, of the cost of treatment from an ancillary (generally speaking, non-hospital) healthcare provider. Common examples include dental treatment, physiotherapy, and optical treatment services. A key factor in a consumer's decision to obtain this cover is the likelihood that they would see material benefit (that is, that the consumer would be likely to claim at a sufficient frequency and amount to justify the cost of insurance).

² APRA, Quarterly Private Health Insurance Statistics, June 2021, Key Metrics.

When a consumer is considering the switch to a different General Treatment policy, key motivators include the utilisation of their current policy (which services did they claim against, and to what proportion of the maximum benefit), and their desire to utilise cover for additional services not included in their current policy.

Cost and affordability of health insurance

While more than half of Australians see health insurance as essential³, in recent years the price indices for healthcare have grown faster⁴ than any other component of the consumer price index, with the medical and hospital component growing the fastest (which includes health insurance). Since 2012, healthcare costs have been growing higher than wages, creating a widening gap between the cost of private health and wages⁵. Of the Australians surveyed, 64% stated they cannot easily afford their premiums⁶.

In FY20 Australians spent on average \$3,712.33⁷ on health insurance policies and almost a third of consumers surveyed (31%) stated health insurance was the household expense they were most interested in obtaining a better deal on.⁸ In 2020, CHOICE reported that Australians could save an average of up to \$932 per year⁹ by switching their health insurance. While 70% of people have updated or switched health insurance policies within the past 2 years¹⁰. Those who have not reviewed their private health insurance could benefit from a health insurance needs assessment.

The onboarding processes

Presently, to switch or make an initial purchase of health insurance a consumer can contact a provider directly, or utilise a comparator service such as iSelect who can compare a range of offerings in the market. Currently there is an absence in uniformity between provider websites and a differing customer experience exists in needs analysis and data collection, an added challenge for consumers in the market to compare offerings.

³ IPSOS, Health Care and Insurance Australia (HCIA) Report 2019, n= 20,000

⁴ Melbourne Institute, Applied Economic and Social Research, The Falling Growth in the use of Private Hospitals in Australia, Oct 2020, quoting ABS, Wage Price Index, The gap between the growth in healthcare prices, the consumer price index and wages

⁵ Melbourne Institute, Applied Economic and Social Research, The Falling Growth in the use of Private Hospitals in Australia, Oct 2020, quoting ABS, Wage Price Index, The gap between the growth in healthcare prices, the consumer price index and wages

⁶ i-Link Research Solutions, PHI Research, September 2020, When asked how easily they can afford to pay their premiums currently, n = 1007

⁷ APRA, Operations of Private Health Insurers annual report 2019-2020 [Total Premium Revenue/Total Industry Policies]

⁸ YouGov Galaxy, PHI and Energy, May 2021, Ahead of EOFY, household expenses most interested in finding a better deal on n=1055

⁹ "Save up to \$932 by switching health insurance | CHOICE." 17 Sep. 2020, <https://www.choice.com.au/money/insurance/health/articles/health-insurance-hacks-that-will-save-you-money>.

¹⁰ YouGov Galaxy, Rate Rise research study, February 2021, When did you last actively review and compare your private health insurance policy to make sure it still meets your current needs? n=1500.

Once a consumer selects a new health insurance policy, there is a further delay of up to 2 weeks as the incumbent supplier arranges the transfer certificate from the date they're notified of the switch. The current fund may hold up the process while they attempt to retain the customer, or the request may not be received properly, during this time there is a risk of overlapping payments to funds, which can cause additional stress for consumers.

Transfer certificates are required for the new Fund to accurately charge the consumer's premium, particularly when rebates and loadings are included. Receipt of transfer certificate may also result in a change of offer for the consumer as information becomes available to the new insurer.

Delays, repeated customer contact and changes in pricing through this process may cause consumer confusion particularly for those impacted by lifetime health cover loading. Open data could streamline this process by automating the transfer certificate. If the open data on a policy included LHC status, income tier rebates being applied, waiting periods served as well as historical claims, this would enable a fast and accurate transfer of cover, improved customer experience and removal of risk of double payments. The reduced barriers to switching would improve participation rates in the industry.

Consumer barriers to change providers or enter the market

While consumers may be aware that their health insurance policy may need updating, barriers to take action include:

- Complicated customer journey, requiring extensive data points
- Consumer confusion
- Lack of time

For existing health insurance customers, 26% stated their reason for not switching providers was because it is “too complicated, confusing, too difficult”¹¹. This was up from 19% in the same report in 2019.¹² Further research conducted by iSelect into why consumers are doing nothing with their policy found that 7% felt switching policies was in the ‘too hard basket’, and 5% “don’t have time to review their policies”¹³.

For those who do not currently have health insurance, 10% of respondents were also confused, stating that “it’s too confusing to find the right policy”¹⁴.

¹¹iPsos, Health Care and Insurance Australia, HCIA, December 2019, n=20,000

¹²iPsos, Health Care and Insurance Australia, HCIA, December 2019, n=20,000

¹³ iLink PHI December 2020 (internal) – pg 7: why phi holders are keeping/doing nothing with their policy, n=1600

¹⁴ YouGov Galaxy, EOFY PHI, May 2019 - Pg 11: Why people don't have PHI, n=1054

¹⁴ iSelect internal reporting (via Adobe Analytics), 2020 full year, n=1,361,869

The reluctance to commit time and source data required to compare health insurers aligns to iSelect web analytics. In 2020, 38% of consumers who commenced an online health insurance comparison with iSelect abandoned the process prior to obtaining a comparison¹⁴.

The impact of CDR on the health insurance industry

Confusion, the perceived challenge of the somewhat arduous process, and the time required to change policies or providers means consumers are potentially remaining with a plan that does not meet their needs. Possibly not providing appropriate cover for their life stage or individual needs or paying for things they don't use. Such consumers may drop out of the industry as they fail to see the value in their cover, or not enter the industry due to confusion regarding options available.

These identified deterrents to join the private health industry or switch providers can be eased by the simplified journey enabled by CDR in private health insurance. Providers will have less new data requirements, shorter handling time and be able to focus on customer needs, improving the likelihood of consumers having suitable health cover.

Product Reference Dataset Required	Consumer Dataset Required
<ul style="list-style-type: none"> ● Product and brand general information ● Premiums (pricing) ● Procedure and service coverage ● Coverage limits ● Fees and surcharges ● Add-ons ● Combined policy options ● Eligibility ● Restrictions ● Exclusions 	<ul style="list-style-type: none"> ● Policy and account information ● Real-time balances of available and used general treatment (extras) services ● Transaction history and detailed metadata ● Limits per claim category ● Claim history for extras, as a percentage usage ● Claim codes ● Additional products and features with pricing ● Overall and itemised pricing ● Combined policy pricing ● Included insurances and coverage ● Fees paid as outright and percentages ● All product features

2) General Insurance

Many types of general insurance, including car and home insurances, are offered and priced using three clusters of data: details of the asset/covered item, the owner, and the environment. The value of assets, and the risk profile associated with the owner and environment, are ever-changing. As a result, the potential and realised value of an insurance policy is something that a consumer should, ideally, be evaluating on a regular basis.

Types of General Insurance

- Motor (e.g. Car, Motorcycle) insurance
 - Motor insurance should be a high priority for CDR, due to the large market size (\$22bn in Australia¹⁵), large number of business in the sector (484 in Australia¹⁶), and the complex nature of the product.
 - Google Trends data shows that Car Insurance queries constitute 34% of all searches¹⁷ for general insurance made via Google.
 - Motor insurance can be challenging for consumers to compare like-for-like, as some aspects of the policy (e.g. insured value, excess) are variable, and the impact that these have on the coverage and premium (price) of the policy may not be apparent.
- Home and Contents insurance
 - The purchase journey and differentiating factors for a Home and Contents policy is similar to that of a Motor policy, for a smaller market (\$10bn in Australia¹⁸)
 - The large number of business participating in the Australian home and contents insurance market (826)¹⁶ creates friction for a consumer seeking confidence that they have considered the 'whole' or the majority of the market, as the research process may include review of several different sources, where facts about a given policy may be displayed differently and/or difficult to directly compare.
- Business and Asset insurance
 - There are over 20 subtypes of business insurance¹⁹, some of which are industry-specific. A solution that gives access to consumer data would likely have unique aspects for every business insurance subtype.

¹⁵ "Car Insurance in Australia - Market Research Report - IBISWorld." 26 Nov. 2020, <https://www.ibisworld.com/au/industry/car-insurance/4122/>.

¹⁶ "Car Insurance in Australia - Market Research Report - IBISWorld." 26 Nov. 2020, <https://www.ibisworld.com/au/industry/car-insurance/4122/>.

¹⁷ "KPMG General Insurance Industry Review 2020" 16 Dec. 2020, <https://assets.kpmg/content/dam/kpmg/au/pdf/2020/general-insurance-industry-review-2020.pdf>.

¹⁸ "Home and Contents Insurance in Australia - Market Research Report." 6 Jan. 2021, <https://www.ibisworld.com/au/industry/home-contents-insurance/4153/>.

¹⁹ "Business insurance | Business.gov.au." 10 Mar. 2021, <https://business.gov.au/risk-management/insurance/business-insurance>.

- Consumers may not be adept at differentiating the subtype/s of business insurance that they hold; this could mean that if only some subtypes were supported by the CDR, there could be confusion as to whether or not a given consumer can benefit.
- Travel insurance
 - A significant portion of the data required to price travel insurance relates to the traveller's planned itinerary, which generally changes each time the consumer is looking to compare options. As such, relative to other general insurances, consumer benefit would be lower in this sector.
- Pet insurance
 - Research conducted in 2018 by Roy Morgan suggested only 6% of dog and cat owners in Australia have pet insurance²⁰
 - As the percentage of pet owners that hold a policy increases, the potential value of CDR in the sector will increase. At present, the number of consumers that could benefit from their policy data being made accessible is limited.

Customer Benefits

Relative to health insurance, obtaining a quote for most general insurance policies is more burdensome for the consumer, requiring more data points, some of which can be difficult to answer without checking other records (such as annual distance travelled in a car).

There can be more than thirty data points required for a consumer to obtain a quote for car and home and contents insurances. Consented access to CDR data would enable automated pre-filling of many of these fields to dramatically reduce customer frictions and time. Consumers would have the opportunity to correct or confirm this data.

Deloitte Insights' derived from their 2020 survey²¹ of over 8,000 customers in 8 countries (including Australia) in Car and Home Insurance suggest that Simplicity, Data Privacy, Comparability, and Adjustability will succeed as product strategies. Whilst CDR on each of those considerations is important, the article suggests with Data Privacy that Deloitte's interpretation that product designs, marketed and delivered based on customer preferences:

- Do not make customers share more data than necessary
- Extract data from open and proprietary sources to minimise data provided by customers
- Explain to customers that by providing more data they can bring their insurance cost down.

²⁰ "Over 600,000 pet owners have pet insurance - Roy Morgan Research."

<http://www.roymorgan.com/findings/7615-over-600000-pet-owners-have-pet-insurance-201806080622>.

²¹ "The future of home and motor insurance - Deloitte."

https://www2.deloitte.com/content/dam/insights/us/articles/nse53396_the-future-of-home-and-motor-insurance/DI_The-Future-home-and-motor-insurance.pdf.

The same study revealed that 87% of Australians would be willing to share insurance history data with an insurer for a lower premium and/or more tailored cover.

Potential Consumer Savings

The average annual premium of a domestic car insurance policy in Australia is \$672.44²², and \$830.60 for a home and/or contents (house owners) insurance policy²³. Research conducted by Mozo in 2020 found that the average difference between the lowest and highest premiums for comparable car insurance policies was \$902²⁴. Consumers can obtain coverage across a number of other general insurance categories, such as travel, business, and pet insurances, which would further increase the cost of general insurance for households and businesses.

Consumer barriers to change providers or enter the market

Within the general insurance market “loyalty tax” is prevalent, with barriers to switch providers generally due to:

- Complicated onboarding journey, requiring extensive data points (with subsequent data accuracy considerations)
- Confusion of offerings and
- The time required to shop around

The complexity of benchmarking pricing for general insurance (the consumer having to describe the asset and the environment in detail), results in confusion for consumers in the product, with only 45% of Australians surveyed by YouGov fully understanding their car insurance policy²⁵. Consumers as a result do not often update their policy or research alternatives, in 2019, Roy Morgan found that 79.4% of general insurance policies were renewed with the same company without the customer approaching any other companies²⁶.

Using car insurance as an example, information needed for a consumer to obtain a quote includes (but is not limited to):

- Specifics of the car - the exact model, year, factory options, and details of any modifications
- Specifics of the environment - location and type of parking

²² "Quarterly general insurance statistics - December 2002 to June 2021 | APRA." 26 Aug. 2021, <https://www.apra.gov.au/quarterly-general-insurance-statistics> [Table 1g, GWP/Number of risks]

²³ "Quarterly general insurance statistics - December 2002 to June 2021 | APRA." 26 Aug. 2021, <https://www.apra.gov.au/quarterly-general-insurance-statistics> [Table 1f, GWP/Number of risks]

²⁴ "Car Insurance Report 2020: How does pricing stack up in your state" 21 Sep. 2020, <https://mozo.com.au/insurance/car-insurance/articles/car-insurance-report-2020-how-does-pricing-stack-up-in-your-state-and-are-you-paying-too-much>.

²⁵ "YouGov Galaxy, Oct 2020, Research for car vertical, Do you understand your car insurance policy, in terms of what you are or are not covered for? n=1026

²⁶ "Nearly nine million general insurance policies at risk of being switched." 30 Aug. 2019, <http://www.roymorgan.com/findings/8117-general-insurance-policy-switching-june-2019-201908300736>.

- Driver profile - age, driving history, and license type
- Use profile - mix of personal and business use, and the amount of annual travel in each category (as kilometres)

Consumers that use iSelect’s website are required to answer up to 32 questions to obtain an initial quote for car insurance. Once a policy is selected, insurers may ask additional questions, which can change the applicable premium. The barrier of required data input for a consumer to research alternatives translates to high value if held data was made accessible.

One complex data point is a consumer’s disclosure of their claim history. This takes time for consumers and incorrect information may lead to inaccurate premiums and coverage. Sharing claims data through the CDR would benefit both the insurer and the customer for this process.

Product Reference Dataset Required	Consumer Dataset Required
<ul style="list-style-type: none"> • Product features • Product pricing • Coverage limits • Fees • Pricing increases • Insurance add-ons • Bundle options • Eligibility • Exclusions 	<ul style="list-style-type: none"> • Policy and account information • Policy and account information • Transaction history and detailed metadata • Additional cover options including limits per options • Claim history • Bundled pricing • Included insurances and coverage • Fees paid as outright and percentages • All product features

3) Non-Bank Lenders

Barriers to Non-Bank Lending Product Comparison

While loan product and consumer data is made available by ADIs through the CDR, non-bank lenders form a key part of a consumer’s or business’s liabilities. Comparing non-bank products is challenging because there isn’t the requirement for a comparison rate for all products. The actual percentage rate may be hidden in payments based on a percentage of principal fees, establishment or maintenance fees, early repayment fees or other loan calculations.

Surfacing non-bank lender product data would empower new market entrants (alongside existing offerings) to provide clear comparisons across products, removing some of the burden from the consumer to calculate the ‘total cost’ of such products across various scenarios.

In addition to making product data available, enabling consumers to determine their indicative eligibility for products is important for transparency and suitability. Accessing non-bank loan data is essential for the establishment of new and refinancing of existing loans. This enables seamless credit assessment with the full breadth of a consumer’s or business’s financial data available for digital and secure sharing.

Consumer Benefits

Consumers would benefit from this data being shared by understanding the pricing structure and implications for their loan. When being assessed for other loans at a new provider, they could share digitally instead of providing statements or statutory declarations.

Product Reference Dataset Required	Consumer Dataset Required
<ul style="list-style-type: none"> ● Product pricing ● Product features ● Fee and charges schedule ● Comparison rate APR ● Largely duplicating the banking loan product reference data ● Scenario of loan of (amount) paid on-time with analysis of fees and actual APR to customer ● Scenario of loan of (amount) paid late with analysis of fees and actual APR to customer 	<ul style="list-style-type: none"> ● Account information (e.g. balances, rates) ● Transaction history and detailed metadata ● Fees paid as outright and percentages ● Estimated APR ● Largely duplicating the banking loan sharing information ● Account status

4) Other Industries

Energy in the CDR

With Energy a key vertical in the iSelect business, iSelect supports the rollout of CDR into this industry in 2022.

Consumers find similar barriers to switching energy providers in energy as they do in health and general insurance. These include:

- Confusion of product offerings
- Time required to shop around

20% of consumers²⁷ stay with an energy plan as they find it too confusing to compare what they are on with what others are offering. 12% from the same study say they don't have the time or they're too busy²⁸. Despite the plethora of providers and offers in the market many Australians are unlikely to be on the best deal for them, with the majority stating they have no intention²⁹ to switch plans or providers in the future.

For many, understanding energy usage, costs, fees and tariffs is a challenge and for the time poor the task of shopping around is hard to prioritise. Resulting in Australian households paying more than they need to.

The introduction of CDR into the energy industry will enable consumers to quickly access energy plan options, understand the benefits of providers' offerings and enable more Australian households to switch to a better value energy plan.

Other Industries

iSelect has identified other industries to be considered for the future economy-wide rollout of the CDR, industries where consumers would benefit from having product and personal data sharing made available. These include transport, superannuation, investments, and life insurance, which encompasses income protection, total and permanent disability, death and dismemberment, and trauma.

2. Are there particular important datasets that have cross-cutting benefits and could support a range of important use cases both within and across sectors.

Life events span across sectors

People often have a number of cross-sector needs with certain life events. The provision of economy-wide data would decrease barriers to those customer journeys and provide benefits to customers.

For example, when someone has their first child, this is often tied to a new family health insurance plan, buying a new home, opening a child's bank account, accessing government

²⁷ Galaxy Energy Default Offers 2018 – pg 7: why people haven't switched energy plans in the past two years

²⁸ Galaxy Energy Default Offers 2018 – pg 7: why people haven't switched energy plans in the past two years

²⁹ YouGov Galaxy Summer Energy Nov 2020 – pg 10 + 11: majority of aussies have no intention to switch plans or providers in the future

provided parental leave payments and budgeting for childcare. This has a cross-sector impact where the sharing of consumer data would benefit people.

Identity and households

The common component across industries is proof of identity for both consumers and business. As detailed earlier, inclusion of identity verification or status should be included in the CDR to decrease consumer and business friction and provide smoother, digital processes.

An important consideration that doesn't relate to cross-sector but more so life events and the practicalities of sharing and analysing data relates to the household instead of the individual. While CDR enables sharing of a consumer's data, it does not cater for a household view for policies that are assigned to objects, like a home for energy metering information. This also applies to multi-policy discounts when the different policies are held in different individual names. iSelect recommends that consumers have the ability to clearly show that two or more people, whether joint or individual accounts, can be designated as a household.

CDR and bundled products

The energy, telecommunications and general insurance markets have strong cross-cutting benefits for customer moments (for example, moving home). iSelect does not believe converging markets in the utilities space, or insurances, should be any barrier to data provision for bundled product services, as businesses continue to expand their offerings. As an example, if a consumer acquires both energy and internet services from the same retailer, then, excluding any contractual obligation or regulatory requirement, the consumer should be able to switch either service with the same relative ease as if they were supplied by separate retailers.

7. Is the CDR the appropriate path to support these various potential use cases, or are there other solutions available?

iSelect believes that the CDR is the appropriate collection path to support these use cases. Currently, the majority of data collection is online or verbally over the phone. This is time and friction for the consumer and increases the cost of providing the comparison service. CDR would also assist with current customer comprehension about policies, as one provider website articulates product and policy information from another.

Transitioning the process from manual to digital would be beneficial for both the Data Recipient and consumers. This would provide significant value for automated capturing of product data from consumers with a standardised structure for data inputs. This should align to the current banking product reference data SLAs, data fields and APIs.

There are some alternative data sharing means, including the public data initiative by the Department of Prime Minister and Cabinet which makes non-PII data held by departments such as the Private Health Insurance Ombudsman publicly available. This should be investigated so that data exposure isn't duplicated effort while still ensuring it is standardised and publicly accessible.

9. Which sector market's efficiency could be improved by making consumer and product data readily transferable to other providers? Are there sectors where there is currently a high transaction cost to release and disperse this data that the CDR could address?

The basis of iSelect's submission reflects the efficiency for both consumers, comparison sites and providers by making product and consumer data available for consented sharing.

iSelect currently accesses and manages partner product data, which is labour and time intensive for both the provider and iSelect. Accessing the data is only part of the complexity as standardising data to make products and services comparable proves to be challenging. This comes at a cost to comparison sites for the constant updates whenever there are new products, product or feature updates, or changes to eligibility or pricing. There are major gains to be made by providing this data digitally through a machine-readable API. With higher barriers to comparison and switching, consumers would benefit from the right to share their data and the mandated provider sharing of standardised data fields.

10. Are there other steps we could take to strengthen or develop the CDR regime to enhance the economy-wide roll-out?

CDR has not been promoted to consumers, and this is a barrier to driving consumer adoption about data sharing and potential benefits to them.

In the *Future Directions for the Consumer Data Right* report, recommendation 7.8 discusses a consumer awareness and education program. This should be adopted and brought to life by Treasury, discussing why consumers should engage, the differences between CDR consent and other methods (e.g. screen scraping). Concrete examples of adoption statistics, consumer benefits, tangible savings and friction reduction should be promoted.