



Statutory Review of the Consumer Data Right

Submission from Finder
May 2022

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About us: Finder and our involvement in the CDR

An introduction to Finder

[Finder.com.au](https://finder.com.au) (“Finder”, “we”) is an Australian founded and owned global fintech. Finder empowers people around the world to make better financial decisions. One of our key products is our free Australian comparison site, which has more than two million visitors per month. We compare more than 50 product categories, including credit cards, home loans, savings accounts, personal loans and insurance products. Our purpose is to help people save money and make money, and our guides, calculators and comparison tables enable better decision making across a range of complex products and services.

Our involvement in the CDR

Finder has been actively involved in the creation and evolution of the Consumer Data Right (CDR) since its inception with our first formal submission to the initial Scott Farrell review in 2018. We have participated in the vast majority of CDR consultations since, attended many workshops on the topic and have had a representative on all iterations of the Data Standards Advisory Committee. Finder also became the first comparison service to be accredited as a data recipient in May 2021. We believe the essence of the CDR, in making critical data available for consumers to make informed decisions, directly aligns with our mission. Whenever we are providing feedback into CDR processes, we always seek to ensure we represent consumers and their needs.

About this submission

Finder welcomes this Statutory Review of the CDR. We continue to believe that the CDR has the potential to empower Australians to take control of their personal data and use this information to make better financial decisions. We believe there are a number of reasons why the CDR hasn't reached its full potential yet and in this submission we outline some core recommendations that we believe could change this.

Improving the process for CDR development

This section of the submission focuses on areas where we think the current consultative and governance process for the CDR could be improved. We believe this advice would lay the groundwork for the more ambitious recommendations that follow.

Speeding up the designation of high value CDR use cases

Finder has operated in the personal finance comparison space in Australia since 2006 – long before the CDR was introduced. Today we have more than two million Australians using our services every month so we are well positioned to advise the government on the sectors where CDR will add additional value. This has been a constant theme if you look at our inputs to CDR consultations through the years with [our recent data-led submission to the CDR Strategic Assessment](#) being the best example. However, identifying high value sectors for the CDR has not always led to the swift designation of these sectors.

As an example, Finder has advocated for the introduction of the CDR to the market for car insurance since 2019. This is a sector where full market price comparison for a consumer isn't currently possible in Australia as the data is not available to do so. This means consumers need to call multiple insurers to get quotes just to check if their current policy is competitive. CDR can solve this problem. We recommended this in our [original submission](#) and [supplementary submission](#) to the Senate Select Committee on Fintech & Regtech (now the Select Committee on Australia as a Financial and Technology Centre) and most recently in our submission to the CDR Strategic Assessment referenced above.

Overwhelmingly the reports from these consultations have agreed with our assessment. The Senate Select Committee recommended that the CDR be expanded to general insurance in Recommendation 23 of its [first interim report](#) from September 2020. General insurance was also included in the “Open Finance” focus in the recent CDR Strategic Assessment. Despite all of this, we still have no clear timeline on when CDR could be introduced to the market for car insurance.

As such, we'd like to see the introduction of an expedited process for designation for demonstrably high value use cases. We'd also welcome a three-year timeline on possible CDR developments to help businesses like Finder plan ahead.

Recommendation 1

Introduce a process for expedited designation for high value CDR use cases.

Recommendation 2

Create a three-year timeline for CDR implementations to help participants plan ahead.

Better utilisation of existing governance mechanisms

As mentioned previously, Finder has been involved in almost all of the sectoral assessments, rules consultations and general consultations on the CDR. We have felt valued throughout and the public-private collaboration to get this initiative off the ground has been remarkable. We believe these consultation processes have been effective to date and we have been particularly pleased to witness some of our recommendations turned into policy.

However, we do believe some of the existing governance mechanisms could be used more effectively. One example of this is the Data Standards Advisory Committee (DSAC). Finder has had a representative on the DSAC for over two years. Given the focus on the Data Standards, this committee focuses on very detailed areas of the implementation. As the only external body that regularly inputs on the CDR, the Committee is formed of very senior industry stakeholders including our CEO. We believe this committee has more to offer, and could support the Government in determining the next most appropriate sectors to expand to, or the best way to gain further public support if the remit was expanded. As such, we propose setting up an additional committee for strategic input on the direction of the CDR as outlined in the recommendation below.

Recommendation 3

Split the Data Standards Advisory Committee into a strategic committee and an operational committee. This would allow one committee to continue its focus on technical standard definition and implementation, and the other to hone in on the future shape and direction of the CDR. Each committee can meet bi-monthly, to keep the current monthly cadence but to have a strategy meeting every two months, and an operational meeting in the corresponding month.

Making the CDR more valuable for consumers and industry

In this section we focus on recommendations that we believe will make the CDR more attractive to both consumers and industry participants. These recommendations would make the existing CDR offering more accurate and future iterations of the CDR highly valuable for consumers.

Improving the quality of existing data

As mentioned above, Finder became the first comparison service to become accredited as a data recipient in 2021. We use various product datasets from the CDR but, despite the expensive compliance exercise of getting accredited, we are yet to become an active recipient of customer data through the CDR although we do expect to start using CDR customer data in the coming months. There are multiple reasons for this delay but the consistent theme is that the value of the offering available through the CDR makes justifying the investment required to access the data challenging.

Data quality is central to this value equation. Even in the banking sector where CDR was introduced first, data quality is still an issue. It is clear from various stakeholder workshops that many banks are failing to meet the standards on data quality and it is often left to the data recipients to identify and flag these issues. To date, we are not aware of any enforcement action taken to date against data holders failing to meet the standards when it comes to data quality. Whilst this continues there will be possible participants who refrain from using the CDR until this is resolved. This issue is amplified at a consumer level. Any incorrect data pulled through the CDR and presented to a consumer risks them losing trust in the overall system for years to come.

As a result, we believe this review should explore a quality assurance testing process along with associated enforcement action to participants not meeting the standard.

Recommendation 4

Introduce a quality assurance process for all CDR data, either with a team of testers employed by the government or by offering industry participants a “bounty” for any data issues identified.

Recommendation 5

Take enforcement action on data holders that fail to meet standards on data quality.

Allow consumers to take action through the CDR

We also strongly believe that the CDR can offer more value to both consumers and industry participants by allowing them to do more than just access data. Again, we have long advocated for the introduction of “action-initiation” to the CDR, since we first outlined this recommendation in 2019. The existing “read-only” form of the CDR gives consumers powerful insights about the way they spend money and use products, but it’s action-initiation CDR that gives consumers the power to act on these insights quickly. Without action-initiation, a consumer still has to go through the same laborious process to

change providers or make/cancel a payment.

Action-initiation would truly return the power and control back to consumers, which aligns with the principles of the CDR. Action-initiation would also increase competition in general as it would incentivise providers to offer more competitive products to encourage consumers to swap their services. Finder would be an early adopter of the 'action-initiation' functionality, particularly to support our consumers' comparison journey and support educated financial decision-making.

However, in spite of the [proposal for action initiation CDR being accepted by the government in December 2021](#), there has been very limited detail on how this might work in reality. It is clear the current statutory framework will need significant amendments and we would encourage this review to look at this topic in detail to unlock the transformational power that this new functionality could offer.

Recommendation 6

Review and recommend the necessary legislation amendments needed to introduce action-initiation to the CDR.

Building consumer awareness of the CDR

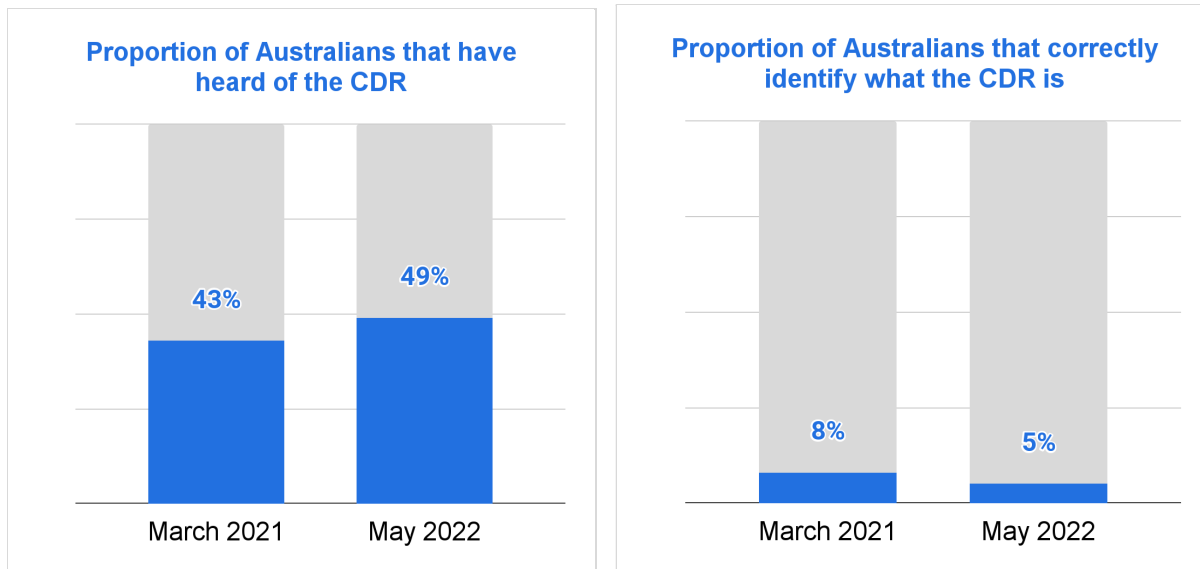
In this section we look at recommendations that we believe will help increase consumer awareness around the CDR framework. Even once the system is working well, we will need to find ways to bring consumers into the system and build trust in using data in this way.

Launching a consumer awareness campaign

Finder is a consumer-centric business and we regularly run consumer research to make sure we are tracking opinions and attitudes when it comes to the personal finance matters relevant to our business. Our flagship survey is the [Finder Consumer Sentiment Tracker](#) which is a live, nationally representative study of the Australian public. Designed by Finder and conducted by Qualtrics, it aims to track consumer sentiment in Australia on an ongoing basis by running an online panel of at least 1,000 respondents every month. This survey has been live since May 2019 and now covers a sample of over 36,000 Australians.

We have run a number of questions in these surveys in relation to the CDR, the primary one being around awareness of the new framework. In March 2021 we found 43% of Australians were aware of the CDR and 8% of Australians could identify what it is when presented with a number of possible options. We ran the same questions again in our May 2022 survey, and there has been a slight increase in the overall percentage of Australians being aware of CDR (49%). However, there has been a decrease in Australians that correctly identified what the CDR is, from 8% in 2021 to 5% in 2022. The data is available in the graphs below.

Awareness of the CDR is increasing but understanding is going down...



This demonstrates the need for the government to undertake a broader awareness campaign to raise the profile of the CDR to the general public, and continue to gain buy-in that the targeted sectors won't be able to challenge.

Recommendation 7

Commit to conducting a consumer awareness campaign to increase public knowledge of CDR.

This campaign would also become a good segue into raising awareness for the direct to consumer data access through the CDR. Finder is broadly supportive of the CDR framework facilitating direct to consumer data sharing opportunities as this gives consumers complete control on how they access and use their data. However, we also note that this direct access method will likely be useful only to sophisticated consumers who have the skills to interpret large datasets. We believe that access via accredited data recipients will prove to be the primary method for the majority of consumers to access valuable insights through the CDR.

Introducing “nudges” to bring consumers into the CDR

Another recommendation that would raise awareness of the CDR is the concept of a “CDR prompt” that we first introduced in our submission to the Senate Select Committee on Fintech in 2020. These “CDR prompts” would be a demand-side policy intervention that leverages the CDR to nudge consumers into taking expedited action to improve their financial position. This proposed “CDR prompt” would give consumers a regular personalised reminder of how their products are performing compared to the market. In our view, these prompts could be the catalyst that ensures the CDR is a success and delivers on its initial stated purpose of driving competition and delivering better outcomes for consumers.

Simply put, many consumers just do not think about switching to a better deal even if it could save them thousands of dollars a year. We suspect that this will still be the same even when comparing and switching is easier than ever thanks to regulatory and technological innovation such as the CDR. The CDR prompt reminds consumers of the value of action and would help drive mass adoption of this new technology.

This proposal was backed by the Senate Select Committee in its [Second Interim Report](#) but there has been no progress on this idea since. We would welcome this review exploring this idea further.

Recommendation 8

Explore the legislative changes needed to introduce a regular “CDR Prompt” to increase uptake in the CDR and to help consumers switch to better deals.

Questions?

Contact the Finder public affairs team at publicaffairs@finder.com