



Consumer Data Right

Exposure draft legislation to
enable action initiation

Submission from Finder
October 2022

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 that empowers people around the world to make better financial decisions. One of our key products is our free Australian comparison service, which has more than 2 million visitors per month and we now have over 500,000 members across our platform too. We compare more than 50 product categories, including credit cards, home loans, savings accounts, personal loans and insurance products. We want 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 and helps to boost competition. Whenever we are providing feedback into CDR processes, we always seek to ensure we represent consumers and their needs.

About this submission

Finder is very supportive of launching action initiation capabilities through the CDR framework and we welcome this crucial legislative step towards making that a reality. In this submission, we reiterate our broad position on the value that action initiation CDR offers before providing a number of specific recommendations in relation to the exposure draft documents provided.

Overview: Finder's views on action initiation through the CDR

Finder has advocated for the introduction of “action initiation” to the CDR since we first outlined this recommendation in 2019. We strongly believe that the CDR can offer more value to both consumers and industry participants by allowing consumers to do more than just access data through the regime.

Broadly speaking, the existing data-sharing form of the CDR gives consumers powerful insights about the way they use products, but it is 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.

We made the case for action initiation CDR most strongly in our submission to the Inquiry into the Future Directions of the Consumer Data Right led by Scott Farrell and some of our comments were quoted in the final report. The language we use to describe action initiation has changed a little since but otherwise this is a statement we strongly stand behind today.

“A read-only version of the CDR gives consumers powerful insights about the way they spend money, but it is a write-access enabled version of the CDR that gives consumers the power to act on these insights quickly. Without write-access, a consumer would still have to go through the same slow process to change providers or make/cancel a payment. Write-access to the CDR could act as an antidote to the inertia we can see in our research.”

Finder quote from Inquiry into the Future Directions of the Consumer Data Right

We see the two highest value CDR “action types” in the short term being payment initiation and account switching. Payment initiation through the CDR will help to reduce transaction costs for consumers and businesses. It will also ensure that the existing CDR/payment infrastructure already present in the banking sector is better utilised. Account switching through the CDR will mean that customers can efficiently move between providers when they realise they could be getting a better deal. It should also reduce onboarding costs for the providers involved.

As a result, we believe that action-initiation CDR will be the catalyst to make CDR highly valuable for Australian consumers. Beyond the specific points of feedback for this consultation shared in the section below, our broadest recommendation is that rollout of action-initiation CDR is treated as an absolute priority by the Minister and the relevant teams in the Treasury and the Data Standards Body..

Recommendation 1

Give action-initiation CDR the highest possible priority going forwards

Recommendations: Response to exposure draft materials

Broadly, Finder is supportive of the majority of the proposed legislative amendments in the documents shared. In particular, we agree that CDR action initiation should be viewed as the “instruction-layer” that enables consumers to take actions with an Action Service Provider through an authenticated request from a third-party Accredited Action Initiator. We also agree that these action types should only include actions that the CDR customer would have been able to initiate with the Action Service Provider directly. We believe the two new CDR entities of “Action Service Provider” and “Accredited Action Initiator” that have been introduced are well defined and fit for purpose. We are also supportive of the intention for Action Service Providers to accept all valid CDR action requests and in particular we view the non-discrimination principle as an important tenet for action-initiation CDR. The approach outlined for extending the privacy safeguards also seems appropriate.

Regular legislative reviews

We acknowledge and agree with the intention to make economy-wide rules for the CDR before going into specific sectors or action types. However, a key learning from the rollout of the CDR for data sharing was that trying to get the legislation right first time for all use cases is a challenge – particularly across multiple sectors with overlapping legislative regimes. As a result, we believe these amendments will need to be reviewed again when any specific action types are designated. Given this reality, we would welcome a formal process for ensuring these ongoing changes can be made efficiently when deemed appropriate.

Recommendation 2

Introduce regular reviews to ensure all CDR legislation is fit-for-purpose.

Ministerial designation

We welcome the proposal that it should be the Minister’s role to designate types of actions that can be initiated under the CDR. Like the designation process for CDR data sharing, the declaration process allows for identification and prioritisation of action types that represent the most benefit for consumers and the Australian economy. However, we do note the long list of considerations the Minister must assess in paragraph 56D and also the length of time it has taken to designate the different sectors of the CDR data sharing arrangement. As a result, we call for a rapid designation of the two most frequently referenced CDR action types of payment initiation and account opening/closing. This will ensure consumers realise the benefit of the action initiation as quickly as possible.

Recommendation 3

Run designation process for payment initiation and account opening/closing action types as soon as feasible.

ACCC role in assessing fees

As noted above, we are strong advocates for the non-discrimination principle and agree that a request received through the CDR should be treated the same as a request received directly from the customer. In particular, we welcome the introduction of paragraph 56BZE that gives the ACCC the power to intervene if the fee for processing a valid instruction for a CDR action is unreasonable. We would like to see this role for the ACCC extended beyond looking only at what fees are charged in favour of upholding the non-discrimination principle more broadly. As an example, actions requested through the CDR should be processed as quickly as actions requested directly by a customer. In this instance the ACCC could also assess whether the time taken to process a CDR action is unreasonable compared to the experience for a customer undertaking the action directly.

Recommendation 4

Extend the intervention powers for the ACCC to uphold the non-discrimination principle more broadly (e.g. ensuring CDR actions are processed in a reasonably timely way).

Accreditation levels for action initiation

Finder agrees that it is appropriate to have the option for different levels of accreditation to match the different risks that arise from varied CDR action types. We also note the high probability that many Accredited Action Initiators may also be Accredited Data Recipients. As a result, we would be supportive of alignment between the accreditation requirements for Accredited Data Recipients and Accredited Action Initiators wherever possible to avoid duplication of work.

Recommendation 5

Align accreditation standards for Accredited Action Initiators with Accredited Data Recipients where possible.

Consumer experience reviews

Finder believes the work of the consumer experience (CX) team that forms part of the Data Standards Body is absolutely crucial for the regime. We think that CX will only become more important as we move towards action-initiation CDR. The challenge is creating just the right amount of friction so that consumers are carefully considering the action taken without making the process too cumbersome. Finder would welcome a formal role for the CX team in the Data Standards Body to test the usability of live CDR use cases with consumers on at least an annual basis. The output from these reviews should be shared with key regulatory and industry stakeholder to ensure the usability of the CDR from a consumer perspective is always factored into decision making.

Recommendation 6

Introduce formal CX review for live CDR use cases on an at least annual basis to ensure the user experience is fit for purpose.

Questions?

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