



6 October 2023

Louise Staker
Market Conduct and Digital Division
The Treasury
Langton Crescent
PARKES ACT 2600

By Email
CDRRules@treasury.gov.au

Dear Louise

RE: **Consumer Data Right – Non-Bank Lending – CDR Rules exposure draft – consultation**

Thank you for the opportunity to respond to the consultation regarding the exposure draft amendments to the *Competition and Consumer (Consumer Data Right) Rules 2020* (the **Draft Rules**).

1. About Mastercard

Mastercard is a technology company in the global payments industry that connects consumers, financial institutions, merchants, governments, digital partners, businesses and other organisations worldwide, enabling them to use electronic forms of payment instead of cash and cheques. We make payments easier and more efficient by providing a wide range of payment solutions and services using our family of well-known and trusted brands, including Mastercard®, Maestro® and Cirrus®. We operate a multi-rail payments network that provides choice and flexibility for consumers and merchants.

At Mastercard, our key strategic priorities are:

1. **Expand in payments.** We continue to focus on expanding upon our core payments network to enable payment flows for consumers, businesses, governments and others, providing them with choice and flexibility to transact across multiple payment rails.
2. **Extend our services.** Our services drive value for our customers and the broader payments ecosystem. We continue to do that as well as diversify our business, by extending our services, which include cyber and intelligence solutions, insights and analytics, test and learn, consulting, managed services, loyalty, processing and payment gateway solutions for e-commerce merchants.
3. **Embrace new network opportunities.** We are building and managing new adjacent network capabilities to power commerce, creating new opportunities to develop and embed services.

Through our third strategic priority, we are focused on opportunities to enable Open Banking with everyday consumers. We are inspired by the vision of empowering consumers with control of their data so that they have more choice, at a greater convenience and with trust in the ecosystem, to

switch products, make better decisions and ultimately benefit more tangibly from the digital revolution. We currently do this by providing our Fintech and financial institution partners with Open Banking products and services that enable them to reliably access, transmit and manage consumer data to meaningfully enhance their customer experience and win in a rapidly changing market at a global scale.

In Australia, Mastercard is an unrestricted Accredited Data Recipient (**ADR**) and is actively involved in the CDR ecosystem. We are committed to supporting the growth of Open Banking in Australia and working to increase consumer uptake, to ensure more Australians have the ability to benefit from the CDR.

We see a future where individuals and organizations are empowered to access and share their data across multiple applications and services to improve their ability to make smarter decisions. We believe that secure data access, high data quality, and intelligent data enrichment are fundamental to unlocking the value of Open Banking both with businesses and their customers.

2. Consultation response

Mastercard welcomes the expansion of the Consumer Data Right (**CDR**) to the non-bank lending (**NBL**) sector. This industry plays a fundamental role in the life of the everyday Australian and holds data that is valuable for a consumer to share with their consent.

We consider the Draft Rules adequately facilitate the expansion of the CDR to the NBL sector. We wish to make some comments on implementation timeframes and the expansion of the CDR more generally.

The key objective for Treasury should be, in our view, ensuring that all changes to the CDR regime, including expansion to the NBL sector, are made with a view to enabling more use cases and ultimately, increasing consumer participation in the CDR. These are the two critical metrics that will determine whether CDR becomes a success – and they are interlinked, given that new use cases unlock new benefits for consumers, thereby increasing consumer uptake.

We consider that the addition of the NBL sector won't in and of itself unlock a significant number of new use cases. Moreover, it is bank lenders (that are already subject to the banking designation) who hold the vast majority of consumer loan accounts, so the NBL designation won't dramatically deepen the pool of data that is accessible to support existing use cases (although it will open up the CDR to buy now, pay later products, which we welcome).

Accordingly, we would be supportive of an implementation approach (including with respect to timeframes) that is targeted, as far as possible, towards better supporting and facilitating use case enablement. This approach would acknowledge the significant compliance effort that will be required by the NBL sector, and could include, for example, applying flexibility where necessary to the implementation timeframes proposed in the Draft Rules, to provide the ecosystem with adequate time to achieve compliance in a manner that does not compromise existing functionality. A milestone-based approach to implementation may be appropriate, for example where a phased implementation timetable is linked to defined milestones related to increased consumer participation in the CDR, or other relevant ecosystem metrics.

The CDR Statutory Review commented that *"balancing the breadth of datasets included under the CDR with the depth of functionality will continue to be a challenge"*, and this informed a recommendation to prioritise improving functionality and data quality within existing sectors. In our view this is a key recommendation that speaks directly to the need to ensure that the rollout of the CDR to the NBL doesn't unduly impact the primary objective of prioritising use case enablement and driving increased participation in the ecosystem.



3. Further discussion

Mastercard appreciates the opportunity to comment on the Draft Rules. We would be pleased to meet with Treasury to discuss the contents of our submission further.

If you would like to discuss the contents of our submission, or require additional information, please contact Ali Steele, Senior Counsel (Regulatory Affairs) at ali.steele@mastercard.com or Mitch Thorp, Senior Counsel (Open Banking) at mitch.thorp@mastercard.com.

Yours sincerely,



Richard Wormald
Division President
Australasia

