



25 October 2023

Mr James Kelly  
First Assistant Secretary  
Market Conduct and Digital Division  
Treasury  
Langton Cres  
Parkes ACT 2600  
Submitted via email to: [data@treasury.gov.au](mailto:data@treasury.gov.au)

Dear Mr Kelly,

#### **SCREEN SCRAPING – POLICY AND REGULATORY IMPLICATIONS**

The Australian Finance Industry Association (AFIA) is the only peak body representing the entire finance industry in Australia.<sup>1</sup> We appreciate the opportunity to respond to the *Screen scraping – policy and regulatory implications* discussion paper ('the discussion paper').<sup>2</sup>

We represent over 150 members, including bank and non-bank lenders, finance companies, fintechs, providers of vehicle and equipment finance, car rental and fleet providers, and service providers in the finance industry. We are the voice for advancing a world-class finance industry and our members are at the forefront of innovation in consumer and business finance in Australia. Our members finance Australia's future.

We collaborate with our members, governments, regulators and customer representatives to promote competition and innovation, deliver better customer outcomes and create a resilient, inclusive and sustainable future. We provide new policy, data and insights to support our advocacy in building a more prosperous Australia.

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<sup>1</sup> [Australian Finance Industry Association \(afia.asn.au\)](http://afia.asn.au).

<sup>2</sup> Commonwealth Treasury, [Screen scraping – policy and regulatory implications](#) (August 2023).

## **SUBMISSION**

### **The role of screen scraping in the Australian finance industry**

Data silos are a reality of the modern Australian economy, including Australia's finance industry. Useful and widely applicable data is often held privately by an organisation that has collected it, with no access available to other entities even at the request of the individual to which the data pertains.

The Consumer Data Right (CDR) – a visionary, but long-term re-architecture of Australia's data economy – points to a promising future of consensual and secure data interchange for the benefit of consumers, breaking down data silos. Given that the CDR aims to formalise and regulate the interchange of data economy-wide, it is a significant regulatory, compliance and commercial undertaking that will continue developing for years to come as awareness and consumer education grows.

In the interim, screen scraping is a simple, available, well established, and effective technological solution which enables consumers the ability to make use of their own data today.

Screen scraping plays a fundamental role in the operation of large portions of the Australian finance industry. It facilitates access to necessary data which enables responsible and timely decision making by credit providers and others within the financial services industry. Ensuring finance providers have a complete and accurate understanding of current (or potential) customers' financial situations is crucial to achieving good consumer outcomes.

### **Risks involved in switching to the CDR prematurely**

In working with existing systems not primarily designed for data interchange, screen scraping technology must grapple with several difficulties. These include:

- the need to request passwords from customers.
- the risk of data breaches, and
- the importance of managing ongoing consent.

These are some of the challenges that motivate the development of and transition to the CDR in the long-term.

If access to screen scraping is limited before the CDR is fully rolled out and mature, this would risk locking out smaller providers from competing in all sectors of the finance industry and risk reducing competition.

Commercially advantageous and private datasets are held by the dominant market participants. If access to these datasets provided by screen scraping were absent, even temporarily, this would reinforce dominant market participants' disproportionate market power.

New entrants and smaller participants would not be able to effectively engage in products that, for regulatory or commercial reasons, require an in-depth examination of customer suitability. Smaller providers would risk losing

efficiencies that aid in evaluating customer relationships, with larger entities able to adapt their systems and processes with larger budgets. Competitive pressure would lessen, depriving consumers of the benefits competition provides regarding price and product quality. AFIA believes that promoting diversity in financial products is essential for a more inclusive financial system and submit that the Government carefully consider the impacts on financial inclusion.

Therefore, mandating the switch from screen scraping to the CDR before the latter is fully matured, significantly risks compromising a core objective of the regime: to boost competition and increase consumer choice.

AFIA submits that the focus should be on the following:

1. expanding the CDR to cover all relevant data sets.
2. refining rules and data standards to improve operational effectiveness, and
3. encouraging improved data quality.

Any future transition away from screen scraping to the CDR should be based on ongoing industry engagement to identify and resolve pain points in the CDR. Once concerns in the scope and usability of the CDR have been addressed, further engagement and consultation should determine an appropriate phase-out period.

AFIA submits that the Government should consider any risks limiting screen scraping could have on increasing unaffordable lending practices occurring. Data related risks should be balanced against the potential increased risks of unaffordable lending.

### **Proportionate response to protect consumers and competition**

The risks described above which stem from the current use of screen scraping are legitimate and AFIA suggests that these be considered by Government and market participants, in order to protect consumers and maintain consumer trust.

AFIA submits that direct engagement and cooperation between government and screen scraping technology providers (as well as their customers) may be the most appropriate course of action, owing to the tendency for screen scraping activity to be conducted by external providers and the short-to-medium-term lifespan of technology. The co-development of operational guidelines may be a simple and effective method of retaining confidence in an industry that, as is noted in the discussion paper, has a strong cybersecurity track record. Including screen scraping technology providers using security protocols arguably equivalent to those of banking institutions including security certifications.<sup>3</sup>

Further regulatory considerations which accommodate the status quo may be appropriate, until the alternative CDR regime has matured. For example, as noted in the discussion paper, screen scraping may conflict with the

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<sup>3</sup> With the Australian Competition & Consumer Commission (ACCC) intending to allow existing security certifications to be leveraged. See the *Consumer Data Right – Rules Outline*, December 2018, Table 1: Accreditation criteria (and continuing obligations on accredited data recipients) <https://www.accc.gov.au/system/files/CDR-Rules-Outline-corrected-version-Jan-2019.pdf>

ePayments Code, consultation on which will be carried out in the future.<sup>4</sup> Any modifications to the ePayments Code to formalise an exemption for screen scraping would give consumers confidence in the arrangements that presently give them access to their own data, and could be revisited upon the maturation of the CDR regime.

#### **CLOSING COMMENTS**

Thank you for providing the opportunity to respond to this consultation.

Should you wish to discuss our submission or require additional information, please contact AFIA Senior Policy Adviser, Sebastian Reinehr at [sebastian.reinehr@afia.asn.au](mailto:sebastian.reinehr@afia.asn.au).

Yours sincerely



**Roza Lozusic**  
Executive Director of Policy and Public Affairs

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<sup>4</sup> Commonwealth Treasury, [Screen scraping – policy and regulatory implications](#) (August 2023), 8-9.