23 October 2023

Consumer Data Right Policy and Engagement Branch Market Conduct and Digital Division
The Treasury
Langton Crescent
PARKES ACT 2600

By email: data@treasury.gov.au

Dear Sir/Madam,

Consultation — ***Screen Scraping – policy and regulatory implications***

Please find below our submission in relation to this consultation.

About illion

illion is a leading independent provider of data and analytics products and services across Australasia. The organisation's consumer and commercial credit registries make up a central component of Australia and New Zealand's financial infrastructure and are used to deliver end-to-end customer management solutions to clients.

As a data insights and analytics business, illion transforms data into complete and actionable information, and believes that quality data is the foundation of its continued success in helping businesses (including banks) manage risk and secure appropriate consumer outcomes.

illion currently services a large range of authorised deposit-taking institutions, asset finance companies, business lenders, personal loan providers and brokers of each of these products. illion's role is one of education, consultation, and solution provision in each of these markets.

illion is a strong supporter of the CDR, illion Open Data Solutions was amongst the first group of organisations to become Accredited Data Recipients and illion is actively developing solutions to enable our clients to access CDR data. We firmly believe that CDR offers a superior solution to screen scraping. However, we note that CDR currently only makes Bank Transaction data from ADIs available, while screen scraping enables access to any data set available on a website.

Responses to Questions

1. What screen scraping practices are you aware of or involved in?

illion Open Data Solutions (ODS) is a leading provider of bank statement data retrieval and analysis tools to the financial services sector and have been providing screen scraping and Optical Character Recognition (OCR) solutions to extract and categorise bank transactions to our customers for almost ten years. ODS supports hundreds of thousands of Australians access their data each month and share it with lenders, brokers, advisers and various FinTech applications such as Personal Financial Management apps.

a) What is the scope and purpose of the data that is captured? Is the data that is captured only banking data, or does it include data from other sectors?

With a focus on bank transaction data, illion facilitates data capture and assessment of bank transactions for use cases primarily focused on lending which materially enhances our clients' products or services. Most commonly, this amounts to support of the credit lending lifecycle including individual / account verification, income verification, affordability assessments and risk or fraud mitigant practices. Screen scraping has supported a vibrant data sharing ecosystem in Australia through which much friction has been eliminated and innovation allowed to improve the products and services available to consumers, enabling lenders to reduce the time to decision a loan from days to minutes.

Through screen scraping, consumers are able to seamlessly consent to and share any data which is otherwise available to them in an online environment. Beyond transactional data, this includes account and account holder's details and, in some cases, digital copies of physical statements which can be a requirement of lenders as proof of the accuracy of the data.

Dependant on the use case, other data sources have proven to be supportive. For instance, income assessments are supplemented with Centrelink income statements and Personal Finance Management applications aggregate a consumer's data from superannuation providers, trading and wealth management apps.

Screen scraping currently offers one of few trusted data sources which can be used digitally for information gathering and verification purposes. A range of data sources form a more complete picture of the consumer's financial situation, necessary to confidently provide products or services to consumers.

b) What steps do consumers, screen scraping service providers and businesses using screen scraping take in the screen scraping process? What information is provided to consumers through the process?

At various points of consumer engagement, businesses will present the opportunity for consumers to submit their data. This process may be embedded within an application flow or requested via email correspondence.

Consumers authorise and initiate the connection which facilitates data collection. During the authorisation process consumers are made aware of the entity, which is requesting data and typically for what use, the accounts from which data will be disclosed and the period of historic data which is to be accessed. Further information about the data collection process, data use and storage are provided within terms and conditions which consumers agree to prior to use.

c) When is the consumer's data accessed as a one-off, and when is longer-term or ongoing access obtained? Where ongoing access is in place, how are consumers made aware of this and can they cancel access at a later point?

Once-off access is far more common in Australia as it satisfies consumer or account verification requirements and/or due diligence of the lending assessment. Where ongoing access is desired for a product use case (e.g., money management tools or revolving lines of credit or accountancy services), illion requires that clients complete a technical integration to request subsequent data retrieval for a given on-line account. illion does not collect data by these means unless requested by its client.

These integrations enable our client to request refreshed data in accordance with the specific requirement of the service they are providing to their customer.

At all times, the consumer has the power to revoke their consent. Importantly we note this does not even require notification to any party but can be achieved by the simple of means of changing their password, this will immediately prevent any further data collection.

d) Do you use screen scraping for purposes other than data collection (for example to undertake actions on behalf of a customer)?

No, illion do not use screen scraping to perform actions on accounts where data is accessed.

2. Are there any other risks to consumers from sharing their login details through screen scraping?

Screen scraping has been tried and tested thoroughly across the globe, proving to be a robust method of data collection. illion is not aware of any security breaches having occurred with respect to screen scraping platforms. illion is supportive of consumers taking caution and adhering to many best practice measures such as password rotation, use of Multi-Factor Authorisation (MFA) and an inherent hesitancy to all online action.

Screen scraping evolved as a faster, more convenient, and potential more secure solution than previous practices such as emailing bank statements, providing multiple copies of printed statements or OCR of Bank Statements, and CDR represents a further evolution.

If there are additional measures that could be undertaken to ensure consumers participate with appropriate caution and enhanced confidence in screen scraping while the CDR environment matures, we would encourage that these are explored.

3. Do you have any data, case studies, or further information about the risks of consumers sharing their login details through screen scraping?

In our experience, the few concerns which have arisen revolve around accidental disclosure. Consumer errors we have observed performed in haste include selection of the wrong accounts to disclose or ill-consideration of the unfavourable impact adverse transaction histories may have to a creditworthiness assessment.

4. Could you provide any examples of actions your organisation takes to prevent or block screen scraping (if you hold the consumer's data, such as a bank), or when your company's use of screen

scraping has been blocked (if you provide screen scraping services or you partner with a screen scraper to provide your services), and why?

Preventative security measures against unauthorised access have been around far longer than screen scraping and are critical to protecting banks infrastructure. We have, however, seen an increased determination by some organisations to block specific IP addresses known to conduct screen scraping. While such action is intended to protect the owners of the bank account, we believe it is the bank account owner's choice how access to their data should be managed.

Just as the Consumer Data Right was initially designed to place control with how data is used with the Consumer, we would argue that screen scraping is another tool allows the Consumer to manage how their data is used. Until such a time that the Consumer can share their data using CDR with all providers for all use cases the Consumer should continue to be permitted to share their data by other mechanisms of the Consumer's choosing, including screen scraping.

5. Could you provide any examples of how your organisation or entities you partner with manage the risks associated with screen scraping?

Despite the absence of specific regulation regarding screen scraping, there is other privacy and data security related legislation in Australia that organisations need to comply with as clients or providers of services that use screen scraping. Illion takes privacy and security, and compliance with its privacy and data security related legislation, very seriously and implements a range of measures to support this. Such measures include (but are not limited to) substantial investment in cybersecurity, policy design and enforcement, training and insurance. Clients heavily rely on illion to provide secure and safe infrastructure and protections to prevent consumers from harm. *A*

6. Are there other proposed reforms or legal frameworks that relate to the use of screen scraping?

NO RESPONSE

7. Are there any other international developments that should be considered?

NO RESPONSE

8. What are your views on the comparability of screen scraping and the CDR?

a) Can you provide examples of data that is being accessed through screen scraping that cannot currently be accessed using the CDR or vice versa?

In our experience Bank Transaction data is equally available via screen scraping and CDR with some minor nuances such as balance not always being available in CDR. CDR does provide additional information on available products and interest rates that are not available via screen scraping.

The advantages of screen scraping over CDR in terms of data availability include:

- The ability to access the Bank Statements in PDF format (eStatements) from the Banks' website, the delivery of which can be automated by Brokers and Lenders. Many lenders require the eStatements as part of their current lending policy and these PDFs are not available via CDR. Consequently, lenders would either need to change their lending policies

to accept loans based just on the CDR extracted data or would require that borrowers manually extract these statements from their Banks (defeating the purposed of a simple digital workflow).

- The other obvious deficiency with CDR today is that only ~80 ADIs make data available and not across all account types held by those ADIs. illion currently access over 190 institutions with access a variety of bank accounts, BNPL, Wealth, Investment and Superannuation accounts across these institutions.

b) Are there particular restrictions related to data use and disclosure under the CDR that influence choices to continue using screen scraping, or vice versa?

1. **Accreditation requirements** – The interest in arm's-length Representative arrangements indicates a burning desire for simplified accreditation pathways. Unfortunately, the liabilities of this model are disproportionately skewed towards Providers and prescribed such that large, reputable companies which are best positioned to facilitate it are also those most deterred from it.

   Existing screen scraping users, primarily non-bank lenders, are concerned by upcoming Data Holder obligations (or invocation of Reciprocity obligations), investments necessary to satisfy CDR data handling rules and an imminent ban on screen scraping, all of which will necessitate substantial investment which may inhibit innovation.

   illion is of the firm opinion that companies seeking assistance cannot get the appropriate support at scale from an industry in such an infant state.

2. **Data storage and traceability processes which involve substantial investment** – illion notes that large banks with industry leading infrastructure in place have considered downstream data management requirements of CDR as 'too hard' and 'too expensive'. We believe that if requirements are such that a bank is not by default compliant, the industry as a whole should walk a path towards a better state rather than being penalised by a desire to participate in the CDR.

3. **Asset finance brokers** – Are unable to receive CDR data in the same manner that a Mortgage Broker can.

4. **Mortgage brokers –** Whilst CDR data may be used for a fact find process, the industry will not introduce additional friction by suggesting use of CDR to a consumer where acceptance of that data as supporting documentation is not assured. Particularly for brokers, (both mortgage and asset finance) it is vital that their network of lenders firstly accept CDR data, but also that the sharing of that data through existing channels is permissible.

c) Are there requirements in other regulatory frameworks that affect the viability of CDR as an alternative to screen scraping?

Responsible lending requirements –

illion has noted increasing interest in income verification via Open Banking or other digital methods. As transaction data is retrieved via CDR in its entirety, many lenders hold the view that the 'receiving' of this data, despite it being via an Outsourced Service Provider, invokes obligations to use the data for expense assessments also. As the insight model restricts the recipient from viewing

individual transactions, this places full onus on the intermediary to perform the analysis without the means necessary for explanation or manual review.

If the definition of an OSP were not formally defined as an extension of the Principal, a Provider could 'strip back' the data to suit the use case without overburdening the recipient with unintended consequences of participation.

d) Can you provide suggestions on how the CDR framework could be adjusted so that it is a more viable alternative to screen scraping?

illion is a strong supporter of the Consumer and Product Data Right rules proposed by the New Zealand MBIE which address the prevailing concern around data access methods. As an extension, Australian CDR Rules took the opportunity to redefine how data is managed and controlled by participants. It is participation models and rules around usage and disclosure of data which present the greatest barriers to transitioning from screen scraping to CDR. Ignoring performance concerns, illion considers adequate 'access rails' to now be in place which are, for the most part, a satisfactory solution to data access concerns.

While illion is supportive of the broader vision, we believe the Australian CDR Rules sought to address too much at once. The best take-up catalyst may be a series of rule exemptions, followed by implementation timelines for the more onerous obligations.

9. The Statutory Review recommended that screen scraping should be banned in the near future in sectors where the CDR is a viable alternative.

a) How should the Government determine if the CDR is a viable alternative?

There are business motivators to adopt CDR as and when feasible. Voluntary take-up by current screen scraping users and proven 'like for like' use cases should be a sufficient indicator.

b) What are your views on a ban on screen scraping where the CDR is a viable alternative?

Defining 'viable' should be done carefully, though once indeed viable, illion sees no reason an entity should circumnavigate (circumvent?) the rules where there is a 'proper' way of doing things and compliance is reasonable.

c) What timeframe would be required for an industry transition away from screen scraping and why?

We wish to emphasise that many adoption paths are dependent on certain milestones being achieved (feasibility) as opposed to the provision of a sufficient runway. Once feasible, a modest period would be required for education, implementation and testing, with the exception of those implementing Data Holder contribution under prescribed timelines.

illion suggest that a minimum timeframe for a transition from screen scraping to CDR be set at 24 months, and that any transition period should only commence when the data covered by the transition is available in a usable and complete form in the CDR regime.

Conclusion

illion has on many occasions presented a strong view that screen scraping can be secure, and such methods of data collection are necessary until such a time that CDR provides a viable alternative. Whilst we are confident that we have built a secure solution and operated in an ethical manner, we recognise that the lack of regulation may theoretically leave consumers susceptible to potential maltreatment or harm should an unethical provider misuse screen scraping. As the full transition to CDR continues to be navigated, we suggest that some more immediate measures might improve consumer protections and avoid substantial disruption to required services.

Noting the CDR emphasis on data collection, use and control, considerations such as the following may be beneficial in the short term:

- **Collection –** Restrictions on who may perform screen scraping and under what circumstances, with mandated disclosure provisions throughout consumer engagement processes.
- **Use –** Restrictions on permitted use which discontinue marketing usage or sale of data, or completely limiting usage to direct service provision and enhancement.
- **Control –** illion notes a substantial gap in the visibility of ongoing data use and consent management when compared to Open Banking controls. We suggest that it is primarily one-off consents, typically associated with credit provision, which are fundamentally required today. Ongoing access proposes many product and service improvements but will likely be satisfied by CDR sooner than others. It may be prudent to prevent credential storage and associated ongoing account access via screen scraping.

illion is committed to promoting the transition to CDR and continues to invest in ensuring a strong future of digital service provision. We do not oppose a ban against screen scraping, but only as and when consumers and businesses which have a long-standing reliance on existing technologies will not suffer material impairment (for example if data sets available via screen scraping are not available via CDR).

If there are any questions or concerns arising from this submission, please feel free to contact me at any time at richard.atkinson@illion.com.au.

Yours sincerely,

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