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Consumer Data Right Policy and Engagement Branch
Market Conduct and Digital Division
The Treasury
Langton Crescent
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By electronic submission

25 October 2023

Submission on the Screen Scraping Discussion Paper - August 2023

We thank the Treasury for the opportunity to contribute to *Screen Scraping - policy and regulatory implications discussion paper*. As a current user of screen scraping services and a future CDR participant in Australia we have a direct interest in this area of policy.

About Revolut Australia

Revolut Australia is part of the global Revolut group (Revolut), a financial technology group of companies offering a range of financial services to retail and business customers in over 40 countries. Revolut was founded in 2015 in the UK and now has approximately 35 million retail customers and 7,000 employees globally. Revolut is one of the UK's fastest growing technology companies.

Revolut Australia received its Australian Financial Services Licence in May 2020 and launched to the public in August 2020. Revolut Australia also holds an Australian Credit Licence and is progressing an application with APRA to become an Australian Deposit Institution.

Revolut's vision is to reinvent how the world does money by building the world's first truly global financial superapp. We believe in empowering our customers by giving them financial Freedom. In Australia our current products and services include a multi currency debit card and digital wallet, international remittance, trading (including digital assets, US stocks and commodities) and unsecured personal loans. Our comments in this submission relate primarily to the use of data of other financial institutions in the context of loan applications.

Revolut Australia's use of Screen Scraping

Revolut Australia currently relies on screen scraping through an intermediary for the purpose of income and expense verification, in order to fulfil its responsible lending obligations in an efficient manner. The use of screen scraping allows our customers to select a mechanism that lets them quickly supply information without having to provide multiple scans of PDF statements. It also allows us to process the collected data through automated systems, providing a quick response to our customers. In addition it eliminates the risk of "doctored" statements being fraudulently provided. Customers who choose not to use screen scraping can provide us with PDF documents, however we find most customers prefer to use the screen scraping method because it is practically much quicker and easier.

When our customers consent to us to obtain information from their bank accounts they provide their details through a secure encrypted portal so that Revolut Australia never sees the customers' access details. We use the information to access their account details at a single point in time, i.e. we do not have ongoing access to the customer's account. We do not perform any transactions on behalf of the customer.

Customers can provide access to the relevant accounts of both ADIs and non bank ADIs, of which there are many relevant providers, particularly for credit card products and home loans with offset accounts.

While we anticipate that the rollout of the CDR will ultimately require all of those account providers to become "data holders", at present the CDR information that we would have access to is restricted to data held by ADIs and subject to known data quality issues as compared to screen scraping, as discussed in [ACCC Consultation paper](#) dated 5th April 2023 . Any instances of poor data quality being relied on to verify income and expenses could have a significant impact on a lender's ability to fulfil their responsible lending requirements and could impact their credit risk profile, leading to higher than expected default rates.

Adequacy of the Consumer Data Right

Revolut Australia strongly supports the implementation of the Consumer Data Right. While we are not aware of any customer losses associated with the use of screen scraping in Australia, we would agree that the use of CDR involves fewer risks to mitigate and should create additional trust to consumers. However, we do not believe that the implementation of CDR is yet at the point where it can substitute for the current services Revolut Australia obtains through screen scraping. We provide our responses below specifically to Questions 8 and 9 posed by Treasury :

Question 8. a) Can you provide details of data that is being accessed by screen scraping that cannot currently be accessed through the CDR?

For our use case, only transactional finance accounts held with an ADI are currently available through the CDR. We utilise information from non bank financial institutions in assessing personal loan applications.

b) Are there particular restrictions to data use under the CDR that influence choices to continue to use screen scraping?

The primary limitation to use of data under the CDR is the requirement for the user of the data to be authorised as a data recipient. Revolut Australia has completed “Authorised Data Holder Conformance Testing” administered by the CDR scheme, and is currently waiting for authorisation to go live as a Data Holder (which is a requirement for existing and new ADI’s) but has not begun an application as an accredited data recipient. We would need to receive this authorisation in order to use CDR information to replace the information currently received through screen scraping. While we expect to ultimately apply for and receive this authorisation, we expect that this process may take some time.

c) Are there requirements in other regulatory frameworks that affect the viability of CDR as opposed to screen scraping.

Our responsible lending requirements under the *National Consumer Credit Protection Act* require us to verify customer income and expenses. Many of our customers have primary or secondary accounts which are not held with ADIs, meaning we would need to rely on scans of documents from those institutions. This creates inefficiencies, potential inaccuracies or exposure to fraud and delays to customers. It is particularly cumbersome to supply such documents via a mobile app.

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

i) Consent: The current consent process for CDR information is overly cumbersome for customers (involving multiple steps and multiple consents), in contrast to the relatively seamless process for consent (involving the input of multiple accounts in a single screen) which is offered by facilitators of screen scraping data. We understand that work is already underway to simplify the consent process flow. We strongly support the improvement of the consent process which we think will be needed for the widespread customer uptake of CDR.

ii) Complete data set: CDR will become more viable for our use case at the point at which all relevant non bank account providers become mandatory data holders, and data recipients can get access to financial data like Superannuation accounts or non-bank issued Credit Cards which are not covered by CDR yet

Question 9 a) How should the Government determine if the CDR is a viable alternative.

Through this consultation process, the Government has already taken the initial steps to gather the data to make such an assessment. The Government should take account of the detriment to industry in a ban on screen scraping weighed against the real risks to its continuation, as evidenced by historical data breaches.

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

We believe that where the CDR is a viable alternative (in terms of the coverage of data; and the ease of use by consumers; and reasonable ability of end users to access and use the information available) it would be a reasonable policy to ban the use of screen scraping.

c) What timeframe would be required for an industry transition away from screenscraping?

The timeframe should be based on the resolution of the issues raised through our responses to the questions above, namely:

- i) The availability of data sets which are at least as complete as those currently available through screen scraping.
- ii) The improvement of the consent process to the point where it is no less of a burden than providing consent to screen scraping.
- iii) A sufficient transitional time period for data users to obtain data recipient authorisation under the CDR.

The impact of implementing a ban in a shorter time frame will be to lessen competition in the financial services industry. Currently the major incumbent banks hold primary account details of up to 80% of Australian consumers. In the absence of another source of a digital data, competitor banks and financial institutions (such as non-bank lenders) must rely on copies of transaction histories provided by customers in order to complete income and expense verification. This is a time consuming task for customers and creates a hurdle for the customer in applying for a loan outside of their main financial institution. This also increases costs to the financial institution which need to be recouped by higher application fees or higher interest charges. Enhancing competition was a key factor in the introduction of the CDR and it will remain relevant until the CDR is fully implemented and its processes provide a simple and painless customer experience.

If a ban is to be introduced then we would support a staged prohibition for different data sets as data set completion and data quality is shown to be equivalent to that currently available through screen scraping.

We would be happy to discuss the issues raised within this submission in more detail. Please contact Scott Jamieson on scott.jamieson@revolut.com.



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