



Australian Government



Consumer
Data Right

Expanding the CDR to non-bank lending and narrowing the scope of CDR data in banking

November 2024

Expanding the Consumer Data Right (CDR) to the non-bank lending sector is expected to facilitate more informed consumer engagement with both banks and non-bank lenders, leading to improved financial outcomes for individuals and businesses. It will also increase the availability of data, encouraging innovation in financial technology and helping consumers to better understand and manage their finances.

In 2023, Treasury released draft amendments to the CDR Rules to expand the CDR to Australia's non-bank lending sector for public consultation. The Government has considered stakeholder feedback received in response to that consultation and Treasury is releasing updated draft amendments for further consultation.

The Government has also considered feedback about drivers of CDR compliance costs. As a first step to the CDR reset, the updated draft amendments include measures to limit costs to non-bank lenders and initial measures to reduce compliance costs for the banking sector.

This Information Sheet outlines the key updates from the previous draft amendments to expand the CDR to non-bank lending. It also outlines the measures in this package to reduce compliance costs for the banking sector.

Updated 'de minimis' threshold for non-bank lending

The 'de minimis' threshold is the criteria that determine whether a non-bank lending data holder is required to implement CDR data sharing.

The proposed 'de minimis' threshold for the non-bank lending sector has been further targeted and clarified from the previous draft. This aims to unlock data for high-value use cases while limiting potential costs and burden for non-bank lender data holders.

The updated draft rules include:

- a monetary limb of the proposed threshold of a total value of resident loans and finance leases greater than \$1 billion (compared to \$500 million under the previous proposal) and include related entities of a non-bank lender as part of this test
- a customer number limb of the proposed threshold of more than 1,000 customers (compared to 500 or more customers under the previous proposal) and provide mechanisms for compliance monitoring
- clarification that CDR data sharing obligations would also apply to managers of loans (also known as servicer entities) that provide credit on behalf of a non-bank lender
- clarification that data holders with related entities or in white labelling arrangements may discharge each other's obligations
- clarification that a non-bank lending data holder, which does not meet the threshold, may

choose to join the CDR by notifying the Australian Competition and Consumer Commission.

Narrowing the scope of banking and non-bank lending products

The updated draft rules narrow the range of products for which CDR data sharing would be compulsory for banking data holders, and non-bank lending data holders that meet the 'de minimis' threshold. This aims to avoid unnecessary costs and burden for data holders in relation to niche and small target products for which CDR data is unlikely to be shared at scale to support high-value use cases.

In the draft amendments, CDR data sharing would be voluntary in relation to:

- asset finance (except for standard auto finance)
- consumer leases
- foreign currency accounts
- margin loans
- reverse mortgages.

CDR data sharing would also be voluntary in relation to products for which a banking or non-bank lending data holder has less than 1,000 eligible CDR consumers. This aligns with the parameters of the existing mechanism for banking data holders to trial products outside of the CDR.

If voluntarily sharing CDR product data in relation to these products, data holders will not be exposed to civil penalty for non-compliance with the data formatting requirements of the Data Standards. Compliance with the Data Standards would remain a requirement of the rules in relation to relevant consumer data and in relation to the provision of a product data request service.

The Government remains open to making additional products voluntary for CDR data sharing. Stakeholders may wish to recommend additional products, or identify key products that should be retained.

Reduced requirements to share historical consumer data

The draft rules reduce the requirements for a banking or non-bank lending data holder to share consumer transactional data. This aims to target the extent of data required to be shared by data holders to the extent necessary to support high-value use cases.

A bank or non-bank lending data holder would not be required to share consumer data if the data was in relation to a transaction that occurred more than 2 years before the time of the request.

Updated implementation timing for non-bank lending

On 9 August 2024, the Assistant Treasurer and Minister for Financial Services announced the Government would expand the CDR to non-bank lending in early 2025, making it operational by mid-2026 to provide a sufficient transition period.

Accordingly, the draft rules include updated timing for the CDR data sharing obligations to take effect. Product data sharing obligations would apply from 13 July 2026, followed by consumer data sharing obligations in four phases from 9 November 2026 until 13 September 2027 beginning with the largest non-bank lenders and non-complex data requests. Consideration has been given to timing that aligns with when relevant Data Standards may take effect.

Other minor updates

Other minor updates included in the draft CDR Rule amendments include:

- clarifying that a non-bank lending data holder subject to CDR data sharing obligations solely because of being an accredited data recipient would no longer be subject to those obligations if its accreditation ceased
- updating references to Australian Prudential Regulation Authority standards
- aligning the deferral of CDR data sharing obligations in respect of buy-now pay-later (BNPL) products to the final obligation date of 13 September 2027

Providing feedback

Written submissions or enquiries on the draft CDR rules may be addressed to CDRRules@treasury.gov.au. Submissions may be provided up until **24 December 2024**.

Further details about the consultation process are available on Treasury's website at www.treasury.gov.au/consultation.