

Enhancing SMB Financial Empowerment: CDR Rules Amendments

To: CDRRules@treasury.gov.au

Dear CDR Rules Team,

We appreciate the opportunity to provide input on the proposed amendments to the *Competition and Consumer (Consumer Data Right) Rules 2020*. As a global financial technology platform serving approximately 100 million customers worldwide, including many small and medium-sized businesses (SMBs) in Australia, we appreciate the opportunity to contribute to this consultation process.

Intuit is committed to powering prosperity around the world by developing innovative financial management solutions like QuickBooks Online. Our mission is to empower individuals and SMBs with the tools and insights they need to improve their financial lives.

We believe the proposed changes to the CDR Rules have the potential to significantly benefit our SMB customers by enhancing the consent process, improving operational efficiencies, and enabling the development of new financial products tailored to their needs.

Our review suggests that the proposed amendments could bring several benefits to SMBs using financial management software (FMS) such as QuickBooks Online:

1. The simplified consent process would reduce administrative burdens, making it easier for business consumers to integrate their banking data with our accounting software and access valuable financial insights.
2. Operational enhancements, such as easier appointment of nominated representatives, would allow SMBs to delegate and manage their financial data more efficiently, aligning with our goal of empowering data-driven decision-making.

3. The strong focus on data security and privacy ensures that business consumers can trust the safety of their financial information when accessing the Consumer Data Right.

We believe that by actively engaging in this consultation process and collaborating with industry stakeholders, we can contribute to shaping the future of the Consumer Data Right in ways that directly address the operational needs and challenges faced by Australian SMBs. This approach aims to enhance their financial management capabilities and overall business operations, providing them with the tools and insights necessary for growth and success.

Sincerely,



Simeon Duncan
International Corporate Affairs & Public Policy
Intuit Australia

Proposed Change: Consent Review Changes

1. Allow data recipients to bundle multiple CDR consents.

- **Do you support the proposed rule change? Why/why not?** Yes, Intuit supports this change as it simplifies the consent process, allowing SMBs using QuickBooks Online to manage consents more efficiently, reducing administrative burdens, duplication and friction from a CX perspective..
- **What benefits would the rule change have?** This change would streamline the user experience, making it easier for SMBs to understand and manage their consents in one unified process, increasing their engagement with digital financial tools and reducing the risk of consumers dropping out of the process.
- **What implementation challenges would arise?** The challenge lies in ensuring that bundled consents are still clearly understood by consumers, maintaining transparency without overwhelming them with information.
- **What would be the impact of not proceeding with the proposed change?** Not proceeding could maintain the current fragmented and possibly confusing consent processes, where it may frustrate SMBs from what appears to be nuanced repetition, deterring SMBs from fully utilising digital financial services.
- **Other matters to consider?** It's crucial to balance simplicity and thoroughness in the consent process to ensure SMB consumers are fully aware of how their data is being used.

2. Allow data recipients to pre-select elements of individual consent that are 'reasonably needed' for providing the requested good or service.

- **Do you support the proposed rule change? Why/why not?** Intuit supports this proposal as it aligns with providing tailored services to SMBs, ensuring they receive relevant features and functionalities without unnecessary complexity.
- **What benefits would the rule change have?** This would allow for a more customised service delivery, enhancing user satisfaction and operational efficiency by focusing on necessary data usage.
- **What implementation challenges would arise?** The main challenge may be determining what is 'reasonably needed' (although for some businesses like Intuit's this is a straightforward matter) and ensuring this aligns with consumer expectations and data-minimisation rules.

- **What would be the impact of not proceeding with the proposed change?**
Without this change, SMBs might continue to face a generic, less optimised service that may not effectively meet their specific business needs and result in them not being completely satisfied with the service being provided to them as a result of the more limited information being available to the ADR.
- **Other matters to consider?** Ensuring transparency on how these pre-selected elements are chosen and communicated to SMBs is essential for trust and compliance.

3. Simplify the information a data recipient is required to provide to the consumer at the time of consent.

- **Do you support the proposed rule change? Why/why not?** Intuit supports this change as it can help in reducing information overload, making it easier for SMBs to understand their choices and make informed decisions.
- **What benefits would the rule change have?** Reducing complexity in the information provided at consent can enhance user comprehension and engagement, leading to better utilisation of digital tools.
- **What implementation challenges would arise?** The challenge will be to simplify the information without omitting crucial details that affect the consumer's understanding of the consent.
- **What would be the impact of not proceeding with the proposed change?** Continuing with the current complexity could deter SMBs from fully engaging with or understanding the services offered, potentially affecting their trust and satisfaction.
- **Other matters to consider?** It's important to monitor and evaluate the effectiveness of the simplified information in helping consumers make informed decisions.

4. Allow data recipients to consolidate delivery of 90-day notifications.

- **Do you support the proposed rule change? Why/why not?** Yes, Intuit supports this as it could reduce the frequency of communications SMBs receive, streamlining their interactions and reducing notification fatigue.
- **What benefits would the rule change have?** Consolidating notifications can lead to a clearer, less cluttered and therefore more effective communication strategy, improving the overall user experience for SMBs.

- **What implementation challenges would arise?** Ensuring that the consolidated notifications are timely and do not miss out on delivering critical information would be a challenge.
- **What would be the impact of not proceeding with the proposed change?** Without this change, SMBs might continue to receive multiple, possibly redundant notifications, which are likely to lead to disengagement.
- **Other matters to consider?** The timing and content of these consolidated notifications need careful planning to ensure they meet all regulatory requirements and consumer needs.

5. Simplify the obligations in relation to CDR receipts.

- **Do you support the proposed rule change? Why/why not?** Intuit supports this proposal as it aligns with our goal of simplifying financial management for SMBs, making it easier for them to track and manage their data sharing consents.
- **What benefits would the rule change have?** Simplifying these obligations could reduce the administrative burden on SMBs, allowing them to focus more on their core business activities.
- **What implementation challenges would arise?** The challenge lies in maintaining the integrity and traceability of consents while simplifying the receipt process.
- **What would be the impact of not proceeding with the proposed change?** Continuing with the current complex receipt obligations could keep administrative burdens high, detracting from the user experience.
- **Other matters to consider?**
 - **Revocation of redundant consents:** There's a need for clarity on whether an Accredited Data Recipient (ADR) can revoke a consent that has been made redundant by a later consent for the same account. We propose that the later consent should be adopted, and the ADR should be allowed to revoke the earlier one. This would prevent duplicate data collection and reduce confusion.
 - **Implicit revocation:** Consider allowing ADRs to implicitly revoke active consents when they are no longer used by the service, even if they are still technically active. This would be similar to the case where a QuickBooks Online user decides not to continue as a customer, and Intuit, as the ADR, is required to revoke all active consents.

These additional considerations align with the overall goal of simplifying the CDR system while maintaining necessary protections. They address practical issues that

arise in the implementation of CDR consents and could significantly improve the user experience for both consumers and ADRs.

6. Require data recipients to provide consumers information about all supporting parties who may access the consumer's data at the time a consumer gives consent.

- **Do you support the proposed rule change? Why/why not?** Intuit supports this change as it enhances transparency and builds trust with SMBs by clearly outlining who has access to their data.
- **What benefits would the rule change have?** This would increase consumer confidence in data sharing practices, potentially leading to greater adoption of digital services.
- **What implementation challenges would arise?** The challenge involves ensuring all parties are accurately and comprehensively listed, which requires robust data management and communication strategies.
- **What would be the impact of not proceeding with the proposed change?** Without this change, there might be a continued perception of opacity in data handling practices, which could affect consumer trust and willingness to share data.
- **Other matters to consider?** Regular updates and audits might be necessary to ensure that all information about supporting parties remains accurate and up-to-date.

7. Require data recipients to delete redundant CDR data unless the consumer has given a de-identification consent.

- **Do you support the proposed rule change? Why/why not?** While Intuit supports best practices in data management and privacy, we have concerns about creating a separate privacy regime specifically for CDR data. This rule change appears to treat CDR data differently from other information held by ADRs, which may lead to inconsistencies in data handling practices.
- **What benefits would the rule change have?** The proposed change could enhance data security and minimise potential risks associated with data breaches by reducing the volume of data held.
- **What implementation challenges would arise?** In addition to the challenges of identifying and classifying 'redundant' data, this rule could create a complex dual system of data management for ADRs. They would need to apply different

standards and processes to CDR data compared to other data they hold, potentially leading to operational inefficiencies and increased compliance costs.

- **What would be the impact of not proceeding with the proposed change?** Not proceeding with the change would maintain consistency with how other data is managed under existing privacy laws. This could simplify compliance for ADRs and avoid creating a fragmented approach to data privacy.
- **Other matters to consider:**
 - **Consistency with existing privacy laws:** The proposed rule creates a special regime for CDR data that doesn't apply to other information held by ADRs. This raises questions about why CDR data requires different treatment and whether existing privacy laws (such as the Australian Privacy Principles) are insufficient for protecting this data.
 - **Potential for confusion:** Having different rules for CDR data versus other data could lead to confusion for both consumers and ADRs about which privacy protections apply in different scenarios.
 - **Broader privacy implications:** Instead of creating specific rules for CDR data, it might be more effective to let existing privacy laws do their job. This would ensure a consistent approach to data protection across all types of personal information.

While the intent behind this rule change is commendable, it's crucial to consider whether creating a separate privacy regime for CDR data is the most effective approach. A more consistent application of privacy principles across all data types might better serve both consumers and ADRs.

8. Require data recipients to advise consumers of the marketing activities they will undertake due to a direct marketing consent.

- **Do you support the proposed rule change? Why/why not?** Intuit does not support this proposed rule change. Marketing activities are already governed by existing legislation, specifically the *Privacy Act 1988 (Privacy Act)* and the *Spam Act 2003 (Spam Act)*. Creating additional regulations within the CDR rules for marketing activities appears redundant and potentially confusing for businesses and consumers alike.
- **What benefits would the rule change have?** While the intention to increase transparency is commendable, we believe that the existing regulatory framework already provides sufficient protection and guidance for consumers regarding marketing activities. The proposed change may not offer significant additional benefits beyond what is already in place.

- **What implementation challenges would arise?** Implementing this rule could create unnecessary complexity for data recipients who would need to navigate multiple, potentially overlapping regulatory frameworks. This could lead to increased compliance costs and potential inconsistencies in how marketing activities are communicated across different contexts (CDR vs. non-CDR data use).
- **What would be the impact of not proceeding with the proposed change?** Not proceeding with the change would maintain the current regulatory landscape where marketing activities are primarily governed by the Privacy Act and Spam Act. This approach has proven effective in protecting consumer interests while providing clear guidelines for businesses. The existing framework already requires businesses to be transparent about their marketing practices and obtain appropriate consent.
- **Other matters to consider:**
 - **Regulatory overlap:** The proposed change could create unnecessary overlap between the CDR rules and existing privacy and marketing regulations. This may lead to confusion for both businesses and consumers about which rules apply in different scenarios.
 - **Consistency across data types:** By creating specific rules for CDR data in marketing contexts, we risk fragmenting the regulatory landscape and potentially treating CDR data differently from other types of personal data.
 - **Existing safeguards:** The current CDR framework already includes privacy safeguards that cover the use of CDR data. Adding specific marketing-related rules may be redundant given these existing protections.
 - **International alignment:** As Australia continues to develop its data protection framework, it's important to consider alignment with international standards like the GDPR, which already provide robust guidelines for marketing activities.

While Intuit supports transparency in data usage, we believe that the existing regulatory framework provided by the Privacy Act and Spam Act is sufficient to govern marketing activities. Adding another layer of regulation specifically for CDR data could create unnecessary complexity and potential inconsistencies in the broader data protection landscape.

Proposed Change: Operational Enhancements

1. Require data holders to provide a prominently displayed and accessible process for consumers to appoint a nominated representative that is simple and straightforward to use.

- **Do you support the proposed rule change? Why/why not?** Intuit supports the proposed rule change as it addresses key concerns about the current complex and often paper-based processes for appointing nominated representatives. However, we recognize that this change introduces additional steps for SMBs compared to existing bank feed setup processes.

The proposed change addresses key concerns about the current complex and often paper-based processes for appointing nominated representatives. By mandating a straightforward online process, this rule change will make it easier for businesses, especially SMBs, to participate in the CDR ecosystem.

- **What benefits would the rule change have?**
 - **Increased CDR adoption:** By simplifying the process of appointing nominated representatives, more businesses, especially SMBs, are likely to participate in the CDR ecosystem.
 - **Enhanced operational efficiency:** A streamlined process for appointing nominated representatives will save time and resources for businesses, allowing them to focus on core activities rather than administrative tasks.
 - **Improved data management:** A uniform approach to appointing representatives will enhance data reliability and security across the CDR framework.
- **What implementation challenges would arise?**
 - **Training and education:** Both data holders and CDR consumers will require education on the new process to ensure its effective use.
 - **Compliance monitoring:** Ensuring consistent compliance across all data holders may be challenging and require ongoing oversight.
- **What would be the impact of not proceeding with the proposed change?** Not proceeding with the proposed change could have significant negative impacts on CDR adoption and data security. The current complex processes would continue to act as a barrier, discouraging businesses, especially SMBs, from participating in the CDR. This could lead to missed opportunities for improving operational efficiency and user engagement, slowing down the overall adoption and effectiveness of the CDR framework in Australia.

- **Other matters to consider?** While we appreciate the intent to streamline the appointment of nominated representatives, we have some concerns:
 - **Inconsistent implementation:** We note that from the Privacy Impact assessment that each data holder may implement different processes for appointing nominated representatives based on their specific needs and risk assessments. This flexibility, while beneficial for data holders, could lead to inconsistent experiences for business consumers across different institutions.
 - **Potential for confusion:** Business consumers may not know whether they need to appoint a nominated representative until they reach the consent flow, as some banks may conceal certain accounts if no representative has been appointed. This could result in customer frustration and hinder CDR adoption.

To address these concerns, we propose:

- **Standardisation:** While respecting the need for flexibility, we recommend establishing baseline standards for the nomination process to ensure a more consistent experience across data holders.
- **Clear communication:** Data holders should clearly communicate their specific requirements for nominated representatives upfront, before business consumers begin the consent flow.
- **Streamlined integration:** We encourage exploring ways to integrate the nomination process more seamlessly into existing account management procedures, minimising additional steps for business consumers.
- **Regular review:** Given the potential for confusion and added complexity, we recommend a scheduled review of this rule's impact on business consumers' engagement with the CDR, with a willingness to refine the approach based on real-world feedback.

Intuit firmly believes that this proposed rule change is a significant step towards making the CDR more accessible and beneficial for business consumers. By simplifying the process of appointing nominated representatives, we can drive greater adoption of the CDR.

2. Offer an online process for allowing account administrators to be appointed as nominated representatives.

- **Do you support the proposed rule change? Why/why not?** Intuit strongly supports this proposal as it directly addresses a significant pain point for SMBs and

ADRs in the current CDR framework. The introduction of an online process for appointing account administrators as nominated representatives is a crucial step towards streamlining CDR participation for businesses.

- **What benefits would the rule change have?** This change would significantly reduce administrative burdens for SMBs, making it easier for them to engage with the CDR and leverage its benefits. By simplifying the nominated representative appointment process, we anticipate:
 - Increased CDR adoption among SMBs, as the current complex offline processes have been a deterrent.
 - Enhanced operational efficiency for businesses using platforms like QuickBooks Online, allowing for more seamless integration of financial data.
- **What implementation challenges would arise?** While we strongly support the change, we recognise potential challenges:
 - Ensuring consistent implementation across all Authorised Deposit-taking Institutions (ADIs) to avoid confusion for SMBs.
 - Educating SMBs about the new process and its benefits to encourage adoption.
- **What would be the impact of not proceeding with the proposed change?** Not proceeding would perpetuate the current barriers to CDR adoption for SMBs, including:
 - Continued use of less secure data sharing methods.
 - Missed opportunities for SMBs to benefit from innovative financial products and services enabled by CDR.
 - Persistent administrative burdens that disproportionately affect smaller businesses.
- **Other matters to consider:**
 - **Consistency across ADIs:** We strongly recommend that the Treasury work with ADIs to ensure a consistent policy on deeming existing signatories as nominated representatives for CDR purposes. This consistency is crucial for reducing confusion and friction for SMBs.
 - **Alignment with existing processes:** While we support the online nominated representative appointment process, we suggest exploring ways to align it with existing bank feed setup processes that don't require

nominated representatives. This could further reduce friction and encourage CDR adoption.

- **Clear communication:** Implement clear guidelines for ADIs on communicating the nominated representative appointment process to SMBs, ensuring businesses understand the benefits and simplicity of the new system.

Intuit strongly supports this proposal as a significant step towards making CDR more accessible and beneficial for SMBs. This change, particularly if implemented with automatic deeming of existing signatories, would significantly enhance the accessibility and utility of CDR for SMBs.

3. Allow accredited ADIs to hold CDR data as data holders where a consumer has applied or is applying to acquire a product from an ADI.

- **Do you support the proposed rule change? Why/why not?** Intuit cautiously supports this change as it could enhance the integration of financial services, potentially providing a more seamless experience for SMBs. However, we have concerns about competitive neutrality and data protection that need to be addressed.
- **What benefits would the rule change have?** This could allow for more cohesive data management and potentially quicker service delivery from ADIs, benefiting SMBs with efficiency and convenience.
- **What implementation challenges would arise?** The primary challenges include ensuring that ADIs manage this data with high standards of security and compliance, maintaining consumer trust. ADIs must implement clear notification processes to inform consumers about how their data will be held and used. There's also a need to ensure that the explanation provided to consumers is sufficiently clear and comprehensive.
- **What would be the impact of not proceeding with the proposed change?** Without this change, there could be fragmentation in how financial data is handled across different platforms, with ADIs facing limitations in using CDR data for legitimate business purposes like credit decisions.
- **Other matters to consider?**
 - **Competitive neutrality:** There's a need to ensure this change doesn't create an unfair advantage for ADIs over non-ADI financial service providers.

- **Consumer rights:** Clear mechanisms should be in place for consumers to understand and control how their data is used, including the right to delete data if they decide not to proceed with a product application.
- **Regulatory oversight:** Regular audits and compliance checks would be necessary to ensure that ADIs adhere to the required standards of data management and security.
- **Scope of use:** Clear guidelines should be established on how ADIs can use this data, ensuring it's limited to the specific purpose of product application and not for broader competitive advantages.
- **Review mechanism:** A scheduled review of the impact of this change on market competition and consumer behaviour should be implemented.

4. Clarify that principals must ensure their CDR representatives comply with CDR data standards.

- **Do you support the proposed rule change? Why/why not?** Intuit supports this clarification as it reinforces the importance of compliance and standardisation in data handling, which is crucial for maintaining trust and security.
- **What benefits would the rule change have?** This would ensure a uniform approach to data management across different representatives, enhancing the reliability and security of the data handling processes.
- **What implementation challenges would arise?** The main challenge is ensuring that all representatives are adequately trained and monitored to comply with these standards.
- **What would be the impact of not proceeding with the proposed change?** Not clarifying this responsibility could lead to inconsistencies in how data standards are applied, potentially compromising data security and consumer trust.
- **Other matters to consider?** Ongoing training and support for representatives to understand and implement CDR data standards effectively would be essential.

7. Streamline data holder requirements related to secondary users.

- **Do you support the proposed rule change? Why/why not?** Intuit supports this streamlining as it could reduce administrative burdens and enhance the efficiency of data management practices, benefiting all parties involved.

- **What benefits would the rule change have?** This could lead to a more efficient data management process, reducing time and resources spent on compliance and allowing more focus on core business activities.
- **What implementation challenges would arise?** The challenge lies in reconfiguring systems and processes to align with the streamlined requirements without compromising data security or consumer protection.
- **What would be the impact of not proceeding with the proposed change?** Continuing with the current, possibly cumbersome requirements could keep administrative costs high and detract from the efficiency of data management practices.
- **Other matters to consider?** Ensuring that the streamlined processes are still robust enough to protect consumer data and meet regulatory standards is crucial.

The proposed amendments to the *Competition and Consumer (Consumer Data Right) Rules 2020* present a significant opportunity for Australian small and medium-sized businesses to streamline their financial management processes and enhance their operational efficiencies. By simplifying the consent process and expanding data access, Intuit QuickBooks Online can better support SMBs in integrating their banking data seamlessly, thereby fostering a more robust financial ecosystem.

The operational enhancements and increased flexibility proposed will enable Intuit to innovate further, developing tailored financial management tools that cater specifically to the needs of SMBs. These tools are designed not only to improve financial insights but also to empower SMBs with the ability to make more informed decisions swiftly and efficiently.

Moreover, the strong emphasis on maintaining high standards of data security and privacy within the proposed amendments aligns with our commitment at Intuit to ensure the integrity and confidentiality of SMBs' sensitive financial information. This is crucial for maintaining trust and fostering a secure digital environment for our customers.

Intuit appreciates the opportunity to participate in this consultation process. We are committed to ongoing engagement with the Treasury and other stakeholders to ensure that the CDR Rules meet the evolving needs of the digital economy and continue to provide benefits to SMBs. We look forward to contributing further to discussions that aim to refine and enhance these regulations, ensuring they serve the best interests of all parties involved.

Should the Treasury team wish to discuss Intuit's submission in further detail, please feel free to contact our Senior Manager of International Corporate Affairs & Public Policy, Simeon Duncan, at simeon_duncan@intuit.com

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