



NATIONAL AUSTRALIA BANK SUBMISSION

Consumer Data Right Rules: consent and operational enhancement amendments

September 2024

Introduction

National Australia Bank (NAB) welcomes the opportunity to provide a submission to the Consumer Data Right (CDR) Rules: consent and operational enhancements amendments consultation.

NAB's submission builds on our responses to the preceding Treasury design consultation papers on consent and operational enhancements in 2023.

NAB's response focuses on the questions of most relevance in the consultation paper. As a member of the Australian Banking Association (ABA), NAB also contributed to ABA's response.

- 1. Do you support the proposed rule change? Why/why not?**
- 2. What benefits (if any) would the rule change have for your organisation, other organisations, and/or consumers?**

NAB supports all proposed consent changes **1.1** to **1.8** and operational enhancements **2.1**, **2.2** and **2.4** (2.3 not applicable) as outlined in the consultation paper.

As suggested in NAB's response to Treasury in October 2023¹, simplifying the consent process will benefit the CDR ecosystem by reducing rates of consent drop off and encouraging customer adoption. The streamlining of consents, which was supported in the Data Standards Board (DSB) consent review will deliver a better user experience and assist in minimising the complexity for CDR consumers.²

- 3. What implementation challenges (if any) would your organisation, other organisations and/or consumers face as a result of the rule change?**

NAB does not foresee complex challenges. Small to medium implementation challenges may occur dependent on the technical complexities or downstream dependencies of organisations.

- 4. What would be the impact of not proceeding with the proposed change?**

Without the proposed streamlining, the current consent framework exponentially increases the effort required by consumers as part of CDR consent flows (as compared to other higher-risk alternatives such as screen scraping) and may discourage consumers from taking up CDR enabled products and services.

NAB considers that changes to the CDR Rules which allow additional use cases, features and consents to be added easily by a consumer within an existing consent and product experience, will increase the uptake and useability of the CDR. This will in turn ensure that CDR better meets its policy objectives of increasing competition and driving innovation while encouraging consumers to adopt safe data sharing practices.

For example:

A consumer has given ongoing consent to an Accredited Data Recipient (ADR) to monitor their spend and display Personal Financial Management (PFM) insights and send them offers for various merchants. Later, the ADR expands this service to offer discounts for consumers who obtain energy

¹ National Australia Bank submission Consultation on the Consumer Data Right: Consent Review, CDR Rules, and Data Standards Design Paper – October 2023

² [Noting Paper 273 - Consent Review · Issue #273 · ConsumerDataStandardsAustralia/standards · GitHub](#)

through 'green' providers. Currently, a CDR consumer would have to go through an entirely new consent flow to access this new feature.

This may act as a disincentive for consumers to take up CDR enabled products and services due to the complexity of the process. Therefore, NAB supports amendments to allow additional features or consents to be added easily within the existing experience, rather than requiring a CDR consumer to commence an entirely new consent flow.

5. Are there any other matters that should be considered when assessing the proposed rule change?

Consideration needs to be given to the way consumers may receive these changes. Testing consent and operational enhancements with CDR users would allow Treasury to observe the impact of changes and the correlation with consumer uptake and understanding.

NAB would welcome the opportunity to participate in pilots and/or proof of concepts together with Treasury and DSB to test these rules changes, particularly as they relate to changes in the consent flow.

7. Is the requirement for the Authorised Deposit- taking Institution (ADI) to provide information about the manner in which they propose to treat the data adequate to ensure the consumer has the information they need to make a decision to allow data to be held as a data holder rather than an ADR?

NAB considers the requirement for the ADI to provide information about the way they propose to treat data is adequate and that it will result in the development of more use cases.

However, to prevent information fatigue and to ensure consumers are adequately engaged, the focus should be on how customer information will be treated rather than how that treatment differs from other CDR Data. References to data holder, accredited data recipient and privacy safeguards may be confusing and not necessarily better inform consumers and as such should not be required.

10. Are the new circumstances sufficiently broad to support key use cases for accredited ADIs receiving CDR data?

NAB considers that the changes are sufficiently broad. To support key use cases, clarification may be needed on how the new circumstances would operate with other requirements, specifically:

1. The application of the data minimisation principal and how it applies to the collection of data;
2. The requirements for CDR receipts;
3. How proposed changes impact Outside Service Provider (OSP) arrangements; and
4. The application of privacy safeguards, particularly safeguard 5 'Notifying of the collection of CDR data'.

These issues may be managed through guidance from the DSB, but clarity on these points would be needed to enable the development of use cases in accordance with CDR rule 7.2(2B).

NAB would welcome the opportunity to provide use case examples which may assist with the creation of guidance.

Conclusion

NAB appreciates both the opportunity to make a submission and Treasury's focus on ensuring that the CDR statutory settings best support the policy objectives of the regime. NAB looks forward to ongoing engagement with Treasury and would be more than happy to discuss any aspect of this submission.