SISS Data Services

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Submission in response to CDR rules: consent and operational enhancement amendments

September 2024

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For over 12 years, SISS Data Services (SDS) has provided secure bank data solutions to financial technology (FinTech) companies, especially accounting software platforms, and their small business customers.

Around 500,000 Australians have relied on SDS to securely deliver their banking data transactions into software platforms using direct feed arrangements with leading Australian banks and, more recently, through the Consumer Data Right (CDR) environment in which SDS is an Accredited Data Recipient (ADR).

SDS has never used screen scraping and provides data only through bank-approved channels. As such, SDS is trusted by all of Australia's largest banks and leading accounting software platforms (including global giants Intuit QuickBooks and Sage) to provide high-reliability, secure, permission-based bank data feeds for their mutual small business customers.

As Australia's leading independent provider of bank-approved data feeds to small businesses, SDS welcomes the opportunity to respond to the CDR Consent Review.

Overview

Consumers, including businesses and their Trusted Adviser, will rely on CDR data for several use cases to make financial decisions, lodge Tax Returns, claim GST and comply with their legal and statutory obligations. Historically, Consumers, business and their Advisers have relied upon physical bank statements or Closed Banking data feeds (Banks' own feeds), as it is data from the source of truth from the banks.

Currently, the Consumer Data Right is still young and has some areas that require changes to mature and drive growth in the use of the ecosystem. We believe in the CDR regime and hope it will improve. We were pleased to hear the Minister focus on specific user cases like accounting services, as this is core to our business. However, while we believe there is a place for CDR and a bright future, there are friction points that are frustrating the adoption of CDR. The primary friction point (by a significant margin) in our business is nominating representatives.

While SISS has never used screen scrapping, and we strongly advocate for its banning, we also believe the CDR ecosystem needs to be at functional parity before that ban can be enforceable. All answers we have below are in the context of strengthening CDR to a position that screen scraping be banned and, more importantly, can fulfil our client's business case of business administration (i.e. accounting, taxation and related matters).

1.1 Allowing a data recipient to bundle CDR consents so that consumers can give multiple consents with a single action
1 Do you support the proposed rule change? Why/why not?
Yes, we support the proposed rule change. We believe it will simplify the consent journey and reduce consumers' cognitive load. The use of the word "reasonable" could be considered a little vague. However, we do see the need for this NOT to be overly prescriptive. As an ADR, we would appreciate some further examples and guidance; we note several Government agencies & regulators (ATO & ASIC, for instance) have a significant system of issuing notes, guidance, determinations and rulings that sit outside of the rules & legislation. We ask that such things be provided for the Consumer Data Right so that participants have enough information to navigate the regulations, laws & specifications properly.
2 What benefits (if any) would the rule change have for your organisation, other organisations, and/or consumers?
At present, this does not significantly impact our business as we primarily utilise disclosure consents, and they are not included in the bundling. As mentioned above, we believe this will simplify consent, and we have received feedback from consumers that CDR consent has been "too much" compared to screen-scraping consent journeys.
3 What implementation challenges (if any) would your organisation, other organisations and/or consumers face as a result of the rule change?
None
4 What would be the impact of not proceeding with the proposed change?
Anything that makes the CDR consent journey better is beneficial and, more importantly, is less of a barrier for FinTech's when selecting their method of asking consumers to share data. This change brings CDR closer to parity with the screen scraping experience (not that we want a consent journey with no disclosure like screen scraping)
5 Are there any other matters that should be considered when assessing the proposed rule change?
No

1.2. Allowing a data recipient to pre-select the elements of an individual consent that would be reasonably necessary for the data recipient to provide the good or service
1 Do you support the proposed rule change? Why/why not?
Yes, we support the proposed rule change. We believe it will simplify the consent journey and reduce consumers' cognitive load. The word "reasonable" could be considered a little vague. However, we do see the need for this NOT to be overly prescriptive. As an ADR, we would appreciate some further examples and guidance; we note several Government agencies & regulators (ATO & ASIC, for instance) have a significant system of issuing notes, guidances, determinations and rulings outside the legislation/rules. We ask that such things be provided for the Consumer Data Right so that participants have enough information to navigate the regulations, rules & specifications properly.
2 What benefits (if any) would the rule change have for your organisation, other organisations, and/or consumers?
This will significantly benefit us as consumers will have a more straightforward journey and fewer "clicks" in the consent journey. Our experience is that consumers will not select "optional" datasets. Therefore, only disclosing and preselecting required data provides a clear expectation.

3 What implementation challenges (if any) would your organisation, other organisations and/or consumers face as a result of the rule change?
One issue that also existed before these changes is that data selection & disclosure are around the entire dataset, so it is not very granular; for example, "Detailed Customer Data" includes such data elements as a Consumer phone, email, occupation code as an ADR our service doesn't require such data so we may not store it. However, DHs & we are required to notify consumers we can 'collect' this data—this misalignment of disclosing what is available versus what is actually stored. *Another issue similar to the above is that a single consent may be for multiple datasets; however, the uses of the data may differ; some could be used as a one-off onboarding exercise v's ongoing collection of transaction data for the consent period. For example, the consumer name, email, and physical address may only be used once to validate the details, whereas transaction data would be ongoing. This is also a misalignment of messaging between what data an ADR has access to versus what is stored, used once, collected + used regularly during the consent period.* *The above is mentioned due to questions from consumers where their DH discloses, we have collected "xxx" data; however, as we've applied the data minimisation principle, we hadn't actually stored that available data. This is an expectation gap we believe we can manage; however, it can raise concerns from consumers.*
4 What would be the impact of not proceeding with the proposed change?
Anything that improves the consumer's CDR consent journey is beneficial and, more importantly, less of a barrier for FinTechs when selecting their method of asking consumers to share data. This change brings CDR closer to parity with the screen scraping experience (not that we want a consent journey with no disclosure like screen scraping).
5 Are there any other matters that should be considered when assessing the proposed rule change?
While this change is focused on the ADR side of the journey, we feel in the future that a review of the DH side be considered. In particular, we have consumers who represent multiple legal entities (5+) with many (25+) bank accounts, and the journey for these consumers can be less than ideal and involve a lot of clicking + scrolling, providing multiple consents (one for each legal entity, i.e. "user profile") or the DH journey times out because the consumer has spent too much time clicking and scrolling to find the appropriate account(s). For reference, we see consumers with over 200 accounts; if they wish to share all accounts, it is simple; if they wish to share a subset, it is not.

1.3. Simplifying the information a data recipient is required to provide to the consumer at the time of consent
1 Do you support the proposed rule change? Why/why not?
Yes, we support the proposed rule change. We believe it will simplify the consent journey and reduce consumers' cognitive load. *We agree that indicating that consent can be withdrawn is enough disclosure. The actual details of the withdrawal process & consequences are to be included in the receipt, dashboards, 90-day notifications, CDR policy, etc. We wish to point out that DHs also have some obligations around withdrawal notices that these changes have not addressed.*
2 What benefits (if any) would the rule change have for your organisation, other organisations, and/or consumers?
Currently, including detailed withdrawal information does not make sense during the consent journey. This change will significantly reduce the volume of text and messaging to consumers.
3 What implementation challenges (if any) would your organisation, other organisations

and/or consumers face as a result of the rule change?
We do not believe there are any challenges.
4 What would be the impact of not proceeding with the proposed change?
Anything that makes the consumer's CDR consent journey better is beneficial and, more importantly, is less of a barrier for FinTechs when selecting their method of asking consumers to share data. This change brings CDR closer to parity with the screen scraping experience (not that we want a consent journey with no disclosure like screen scraping).
5 Are there any other matters that should be considered when assessing the proposed rule change?
Data Holders have obligations for their CDR Dashboard around the withdrawal of consent. We believe this can be simplified, specifically if the consumer contacts the ADR or visits their website. We would be open to considering providing URIs that Data holders could present to the consumer for withdrawal information.

1.4. Allowing a data recipient to consolidate the delivery of 90-day notifications to reduce consumer notification fatigue
1 Do you support the proposed rule change? Why/why not?
Yes, we support the proposed rule change. We believe this will significantly reduce notification fatigue.
2 What benefits (if any) would the rule change have for your organisation, other organisations, and/or consumers?
We currently see consumers giving multiple consent to multiple or the same bank over a short period. The ability to consolidate these into a single notification will provide a cleaner experience for all stakeholders (Consumer, ADR, DH, Trusted Adviser, and other disclosure entities)
3 What implementation challenges (if any) would your organisation, other organisations and/or consumers face as a result of the rule change?
We do not anticipate any significant challenges and plan to implement this as soon as possible. Practically, we see issues with consumers having multiple consents with a single bank, which sometimes causes some confusion; having consolidated notification will further increase the confusion (because consumers believe they only have a single consent when they may have many). These practicalities are teething and educational matters that should not affect the rules.
4 What would be the impact of not proceeding with the proposed change?
Not proceeding with this would lead to (it already is) notification overload and fatigue. While we appreciate the transparency of this measure, business consumers using data now (screen scraping or direct with bank arrangements) receive few notifications, and their current expectation is only to be notified if there is a significant issue. As business consumers actively use their bank data (daily in most circumstances), they are very aware of data being shared; in our experience, withdrawal of consent is noticed very quickly. Therefore, business consumers believe a 90-day disclosure notification is unnecessary when using CDR for accounting functions.
5 Are there any other matters that should be considered when assessing the proposed rule change?
No

1.5. Simplifying the obligations in relation to CDR receipts
1 Do you support the proposed rule change? Why/why not?
Yes, we support the proposed rule change. Moving some of the requirements from the consent journey to the receipt makes sense, as it balances the need for disclosure and transparency while simplifying it.
2 What benefits (if any) would the rule change have for your organisation, other organisations, and/or consumers?

The consumer consent journey becomes significantly more straightforward and quicker and matches more similarly to other data-sharing experiences (albeit other experiences are not ideal in their transparency). We do plan to implement this change as soon as possible.
3 What implementation challenges (if any) would your organisation, other organisations and/or consumers face as a result of the rule change?
We do not believe there are any significant challenges and plan to implement this as soon as.
4 What would be the impact of not proceeding with the proposed change?
It could be argued that not proceeding with this change may lead the consent journey down some dark patterns. *One of our clients described the receipt well with the antidote: When buying something at a retail store, you know there are terms and conditions on the store's website, on a poster at the entrance, and on the receipt. This doesn't mean the purchase at the register needs to disclose everything; it just needs to facilitate the purchase. But it does emphasise the importance of the receipt.*
5 Are there any other matters that should be considered when assessing the proposed rule change?
No

1.6. Requiring a data recipient to provide consumers information about all supporting parties who may access the consumer's data at the time a consumer gives a consent
1 Do you support the proposed rule change? Why/why not?
Yes, we support the proposed rule change. We see no reason why this disclosure should be inconsistent across differing stakeholders.
2 What benefits (if any) would the rule change have for your organisation, other organisations, and/or consumers?
It provides a consistent approach for all implementations and informs consumers about all parties involved in handling of their data.
3 What implementation challenges (if any) would your organisation, other organisations and/or consumers face as a result of the rule change?
We do not believe there are any significant challenges.
4 What would be the impact of not proceeding with the proposed change?
There would be some inconsistencies, which would allow some stakeholders to be less open and transparent than they should be.
5 Are there any other matters that should be considered when assessing the proposed rule change?
No

1.7. Requiring data recipients to delete redundant CDR data unless a consumer has given a de-identification consent
1 Do you support the proposed rule change? Why/why not?
Yes, we support the proposed rule change. Data deletion is currently our default option. We have never liked the de-identification model for many reasons, primarily the confusion it causes consumers.
2 What benefits (if any) would the rule change have for your organisation, other organisations, and/or consumers?
It justifies our original stance it allows for a far simpler consent journey.
3 What implementation challenges (if any) would your organisation, other organisations and/or consumers face as a result of the rule change?
We do not believe there are any significant challenges. We appreciate that some ADRs may have to transition some older consents to the newer delete model, but this will not

apply to us.
4 What would be the impact of not proceeding with the proposed change?
It could be argued that changing this means that data de-identification is no longer an option; we disagree with this position, even though we struggle to find a reason to offer de-identification consent.
5 Are there any other matters that should be considered when assessing the proposed rule change?
No

1.8. Requiring a data recipient to advise consumers of the marketing activities they will undertake because of a direct marketing consent
1 Do you support the proposed rule change? Why/why not?
Yes, we support the proposed rule change.
2 What benefits (if any) would the rule change have for your organisation, other organisations, and/or consumers?
It is an explicit instruction from the consumer on using their data. It also allows (us) and the consumer to control the datasets available for marketing activities (the required data may or may not be different from those needed for accounting purposes).
3 What implementation challenges (if any) would your organisation, other organisations and/or consumers face as a result of the rule change?
As a B2B service, we do not see a need to undertake marketing activities. Any marketing activities we would undertake do not specifically relate to a consumer's CDR data.
4 What would be the impact of not proceeding with the proposed change?
These changes clarify the situation; not proceeding with the changes means the situation is unclear.
5 Are there any other matters that should be considered when assessing the proposed rule change?
No

2.1. Nominated representatives

We fundamentally do not agree with the proposal. The proposal has some merit; however, given the Minister's announcements that Accounting Services are a priority and screen scrapping should be banned, this change cannot happen quickly enough. Twelve months post-finalisation is too far away.

To be clear, our current experience is that up to 80% of business consumers are NOT able to provide consent to an ADR like SISS. This means the abandonment and under-utilisation of CDR is extremely high for business consumers. Our primary business case for CDR data is; accounting purposes (business administration). At present, the nominated representative friction from Data Holders is the single largest issue holding up the adoption of CDR.

Consumer borrowing is often used as the prime user case for CDR. Let's be clear: not every individual needs to borrow money; most individuals (families) only need to borrow money 2-6 times in their lifetime. Whereas ALL businesses are REQUIRED to meet several compliance requirements regularly (an absolute minimum of every 12 months), most businesses use banking data weekly. Therefore, we propose resolving the nominated representatives as soon as possible to increase CDR adoption and justify the investment from all CDR stakeholders.

As an alternative, we suggest that all administrators be enabled to share data by default. This requires less build time for Data Holders and is, therefore, quicker to deliver. We understand this may not solve all scenarios. However, most businesses are small to medium-sized (ABS stats suggest 92% are $2m turnover or less), so the "administrators" of

the accounts are office holders of the business, i.e. company directors, partners, trustees, etc. In our experience, an administrator of a bank account would be highly involved in the business and, therefore, would be the person sharing data with their accounting solution.

SISS would prefer this auto opt-in be applied ASAP, including the default allowing of data sharing for new administrators. Any user who loses their administrator role also loses the privilege to share data via CDR.

We acknowledge that this proposal is viable, and we can see the benefit of a prominent online process to manage nominated representatives; if the opt-in is adopted, this online process can be properly developed, and the timelines become less critical, allowing all stakeholders to assess, provide feedback, and develop CX guidelines properly.

Should this proposal continue, we ask that twelve months be reduced to three months.

We ask that some consideration be given to introducing SLAs around processing requests. These SLAs must be measured (ADRs & consumers can do this) and enforced for this online process. Having an online request that takes several weeks to action is not much better than downloading a PDF and waiting weeks for the bank to process it. Even a hastily developed web form or Google form processed promptly (1-2 business) days is superior to a perfectly designed dashboard within a Internet banking portal that takes several weeks to process.

We wish to question the noise about this being "complex" or "too difficult" from some data holders, as we note they regularly refer to their corporate banking solutions. We note they also claim that these solutions are out of CDR scope and are currently NOT available for sharing data via CDR (this has been the case since the start of CDR). These data holders cannot both claim it's "too hard" while currently refusing to share data. We also want to challenge the concept that account holders may not wish administrators to share data. The logic here makes little sense to us, as administrators can transact, set new users, download transactions to a file (CSV), adjust the issuing of bank statements, approve bulk (ABA) payments, setup new accounts and can most likely authorise data sharing via non-CDR methods (screen scrapping and direct contract models). If an administrator has all these privileges, we contest that data sharing is not the most concerning function. Concerning the quote, "unlike a financial transaction, data sharing cannot be reversed" we currently see many active consents (according to the introspection point) not being honoured; that is, Data Holders refuse to allow the collection of data due to issue with the "user" for example that user is blocked or locked or otherwise considered ineligible, this suggests consents can and are being 'reversed'.

We have no further comments on the other proposals.