

24 December 2024

Director  
CDR Framework Unit  
Treasury  
Langton Cres  
Parkes ACT 2600

via email to [CDRRules@treasury.gov.au](mailto:CDRRules@treasury.gov.au)

Dear Director

**Consumer Data Right Rules – non-bank lending and banking data scope - submission by Australian Finance Group Ltd ACN 066 385 822**

Australian Finance Group Ltd (**AFG**) was founded in 1994, listed on the Australian Securities Exchange in 2015, and has grown to become one of Australia's largest mortgage broking aggregators. Approximately 4,000 finance brokers (of which approximately 2,000 are credit representatives of AFG) arrange residential mortgages, personal and asset finance loans, commercial finance, and other loan products through AFG's technology platform and relationships with lenders.

Since 2013, AFG has also operated a securitised non-bank lending division through its wholly owned subsidiary, AFG Securities Pty Ltd (**AFG Securities**). AFG Securities currently acts as the servicer and manager for residential lending products to over 11,000 customers, with a \$4.4 billion loan book as at 30 June 2024, of which Perpetual Trust Company Limited (**Perpetual**) is the lender of record.

AFG, through its wholly owned subsidiary AFG Home Loans Pty Ltd also acts as the manager and brand owner for white label products funded by other banks and non-bank lenders.

AFG welcomes the opportunity to respond to the consultation *Expanding the CDR to non-bank lending and narrowing the scope of CDR data in banking* (the **Information Sheet**) issued by the Treasury on 26 November 2024.

Terms used in this submission have the same meaning as in the Information Sheet unless specified otherwise.

AFG provides the following submissions in relation to particular aspects of the Information Sheet set out below.

**Timetable for staged implementation of CDR to non-bank lending**

AFG submits that additional time is required to implement the CDR reforms to the non-bank lending sector. The majority of non-banks will be using consultants and vendors to implement the reforms, and if all are working to the same timeframe there will be limited resources who have skills/experience

in this area. This is likely to push the price of these services up as well as cause practical difficulties to undertake the implementation in the required timeframe.

The size and scale of non-bank lenders compared with ADIs is also relevant. It is not feasible for non-bank lenders to be faced with CDR expansion and implementation in the same way and within a similar (or even shorter) timeframe as that which ADIs have been required to comply with, as this may result in a competitive advantage to existing CDR participants, particularly those who provide services that compete with products provided by non-bank lenders. ADIs were provided with a 2 year roll out period for their sector whilst non-banks are provided with a 1 year period to implement these significant changes. This parity ensures non-bank lenders can adhere to the same high security standards while managing the unique challenges our sector faces.

### **Provision of real-time data feeds**

The provision of real-time data will not be a viable standard for non-bank lenders as non-banks are not transaction account holders like ADIs. Non-banks lenders usually only receive transaction data once a day. To increase this frequency would be cost-prohibitive for non-bank lenders.

AFG submits that data feeds based on the previous days' data (instead of daily real-time data) would not disadvantage the consumer. Further we submit that the concerns raised in the *Privacy Impact Statement - Supplementary PIA to expand the Consumer Data Right to the Non-Banking Lending sector* for the Department of the Treasury in November 2023 about how real-time data sharing might affect consumers, especially those experiencing financial hardship, remain valid. For example, sharing detailed financial data could lead to unintended consequences, such as affecting credit scores or eligibility for financial products.

AFG also notes that the CDR framework does not explicitly mandate that data sharing must occur in real-time. However, the emphasis is on providing timely access to consumer data to ensure that consumers and authorised third parties can make informed decisions based on the most current information available. AFG submits that this aim could be met adequately with near real-time data feeds based on the previous day.

AFG encourages Treasury to remain flexible in allowing non-bank lenders to provide data in near real-time instead of real-time. This consideration considerably reduces implementation strains and costs without compromising data efficacy.

Please do not hesitate to contact AFG if you require any further detail about the matters raised in this submission or if AFG can provide any further assistance.

Yours sincerely

**Australian Finance Group Ltd**