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Dear Sir / Madam

Attached SWIFT's response to The Inquiry into Future Directions for the Consumer Data Right – Issues Paper. We note that the closing date for submissions to this issues paper is 21 May 2020 as per the notification on the Australian Government website.

SWIFT has responded to the following sections of the Issues Paper:

- International Context
- Switching
- Linkages and interoperability with existing frameworks and infrastructure
- Leveraging Consumer Data Right Infrastructure

Background

The Society for the Worldwide Interbank Financial Telecommunication (SWIFT) started with the vision of creating shared worldwide financial messaging services, and a common language to support financial transactions. As such, SWIFT has long played an important role in standardisation and global interoperability, notably by creating and maintaining global financial messaging and reference data standards still used for Correspondent Banking today referred to as the SWIFT 'FIN MT' standards.

In the 1990's, SWIFT commenced moving away from proprietary FIN MT standards by adopting the International Organisation for Standardisation (ISO) standards for Securities transactions starting with ISO 7775 and later mandating the migration to the richer ISO 15022 standard. In 2004, ISO 20022 a new methodology for defining standards covering the full spectrum of financial services, including payments was introduced.

SWIFT have subsequently been appointed as the guardian of the ISO 20022 repository, which includes all existing ISO 20022 messages and the data dictionary of its components by the Registration Authority (RA) for the ISO 15022 and ISO 20022 standards. While ISO 20022 is an open standard, SWIFT acts as the RA under a contractual agreement with ISO. SWIFT also contributes to the formalisation and implementation of other data standards, notably the ISO 17442 Legal Entity Identifier (LEI), which is increasingly required for regulatory reporting purposes.

Response Summary

As an international co-operative and a provider of systemically important financial infrastructure, SWIFT has unique governance and oversight arrangements designed to ensure safe and secure movement of value and associated data between regulated financial institutions in every corner of the world.

In addition to data standards expertise, SWIFT understand the challenges of maintaining a broad ecosystem of network players and have established expertise in on-boarding, access control, version control, transaction/data validation, user authentication, partner certification, non-repudiation, closed user groups and change control. SWIFT anticipate that all of these areas will require management and governance as the banking ecosystem begins to expand to a broader group of industry participants.

SWIFT is the provider of the underlying technology that supports two of Australia's domestic payment systems: the RBA-operated High-Value Clearing System (HVCS) and the New Payments Platform (NPP). SWIFT commends the Inquiry for progressing interaction with NPP and the other domestic payment mechanisms in the context of Open Banking enabling write access.

SWIFT advocates leveraging the existing and future capabilities of the New Payments Platform. NPP services utilise APIs and ISO 20022 to formalise data exchange and the NPP Mandated Payment Service will provide a centralised mandate management platform enabling consumers to have greater certainty and better control of preauthorised payments. Additionally we consider the NPP API Framework, UK Open Banking standard, European Union PDS2, and Payments New Zealand API standards as fundamental reference points for the future development of CDR write-access. These standards were developed using ISO 20022 and are inclusive of payment initiation.

SWIFT recommends considering harmonised Open Banking APIs to support both the NPP and HVCS clearing, with this coordination other payment initiation schemes such as pay-to-mobile or pay-to-QR from a local bank account in Australia can be built including interoperability to other countries.

Our response emphasises our continued sponsorship of the ISO 20022 standard and the development of ISO based APIs as a means of achieving industry wide benefits and resolving the common challenges related to global interoperability, standardisation, compliance and security requirements faced by Banks, FinTechs and businesses operating across markets. ISO 20022 APIs share the same business semantics and data dictionary as the related messages and SWIFT's API strategy is focussed on standardising APIs and simplifying the task of integrating these into existing financial systems and processes.

SWIFT is looking forward to presenting to the Inquiry, establishing an ongoing rapport and collaborating with likeminded organisations in the development of the standards, technology and APIs that enable the Consumer Data Right to be expanded beyond the current 'read' access to include 'write' access.



Australian Government

Inquiry into Future Directions for the Consumer Data Right

Issues Paper
March 2020

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Consultation process

Request for feedback and comments

Interested parties are invited to comment on the issues raised in this paper by 23 April 2020.

While submissions may be lodged electronically or by post, electronic lodgement is preferred. For accessibility reasons, please submit responses sent via email in a Word or RTF format. An additional PDF version may also be submitted.

Publication of submissions and confidentiality

All information (including name and address details) contained in formal submissions will be made available to the public on the Australian Treasury website, unless you indicate that you would like all or part of your submission to remain confidential. Automatically generated confidentiality statements in emails do not suffice for this purpose. Respondents who would like part of their submission to remain confidential should provide this information marked as such in a separate attachment.

Legal requirements, such as those imposed by the *Freedom of Information Act 1982*, may affect the confidentiality of your submission.

Further consultation process during the Inquiry

The Inquiry into Future Directions for the Consumer Data Right will consult broadly with representatives from industry, consumer and privacy advocates and other interested parties in developing the report and recommendations. This may involve conducting targeted roundtables with interested stakeholders on specific issues where the Inquiry requires more information or to solicit further views.

Closing date for submissions: 23 April 2020

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Inquiry into Future Directions for the Consumer Data Right

Introduction

In August 2019 the Australian Parliament passed legislation creating the Consumer Data Right. This significant reform gives customers the right to safely access data held about them by businesses in the sectors where it is applied. Customers are also able to choose to direct that this data be transferred to accredited, trusted third parties of their choice.

The Consumer Data Right promotes competition, making it more convenient for customers to compare and select products. It also encourages innovation, enabling businesses to offer new products and services, including products tailored to individual customers' needs.

Initially, the Consumer Data Right is being implemented in the banking sector, where it is known as Open Banking. Major banks are already making product data available and customers will be able to direct them to securely share certain transaction data from 1 July 2020. Smaller banks will follow, and work is underway to roll out the Consumer Data Right in the energy sector.

With consumers soon being able to share their banking data, it is an opportune time to look to the future for the Consumer Data Right, and examine how it can be built upon to support a thriving digital economy with consumers at its centre.

In January the Treasurer, the Hon Josh Frydenberg MP, announced an *Inquiry into Future Directions for the Consumer Data Right* (the Inquiry), to be led by Mr Scott Farrell. The Inquiry is looking at how the Consumer Data Right could be enhanced and leveraged to boost innovation and competition, and support the development of a safe and efficient digital economy, benefiting Australians and Australia.

Under its Terms of Reference, the Inquiry is to make recommendations to the Treasurer on options to:

- expand the functionality of the Consumer Data Right
- ensure the Consumer Data Right promotes innovation in a manner that is inclusive of the needs of vulnerable consumers
- leverage Consumer Data Right infrastructure – such as the Data Standards Body and accreditation regime – to support the development of broader productivity enhancing standards and a safe and efficient digital economy
- leverage the development of the Consumer Data Right with other countries that are developing similar regimes, to enhance opportunities for Australian consumers, businesses and the Australian economy.

A key focus will be how the Consumer Data Right could be expanded beyond the current 'read' access to include 'write' access. This could enable customers to direct third parties to apply for and manage products and services on their behalf – including, for Open Banking, by making payments and changing accounts – through application programming interfaces (APIs). The Inquiry will consider potential benefits of, and barriers to, implementing write access, including regulatory compliance costs.

The Inquiry will be forward-looking, focussing on the future purpose, use and vision for the Consumer Data Right, rather than its current implementation or the sectors to which it should be next applied. Full Terms of Reference for the Inquiry can be found at www.treasury.gov.au/review/future-directions-consumer-data-right/TOR.

We invite interested parties to make submissions on any or all issues raised by this Issues Paper or the Terms of Reference. This includes views on potential developments and expansions in Consumer Data Right functionality, including their benefit and priority.

What is the Consumer Data Right?

The Consumer Data Right gives customers, including individuals and business customers, the right to safely access certain data about them held by businesses, and direct that their information be transferred to accredited, trusted third parties of their choice. It also requires data holders to provide public access to specified information about their products upon request.

A significant economic reform, the Consumer Data Right is being rolled out on a sector-by-sector basis to create an economy-wide framework. The implementation of the Consumer Data Right has been guided by four key principles. These are that the Consumer Data Right should:

- **Be consumer focussed.** It should be for the consumer, about the consumer, and seen from the consumer's perspective.
- **Encourage competition.** It should seek to increase competition for products and services available to consumers so that they can make better choices.
- **Create opportunities.** It should provide a framework from which new ideas and business can emerge and grow, establishing a vibrant and creative data sector that supports better services enhanced by personalised data.
- **Be efficient and fair.** It should be implemented with safety, security and privacy in mind, so that it is sustainable and fair, without being more complex or costly than needed.

The Consumer Data Right is underpinned by the legislative framework set out in Part VID of the *Competition and Consumer Act 2010*, and Consumer Data Right Rules made by the Australian Competition and Consumer Commission. The Rules set out the circumstances in which data holders are required to disclose data, and to whom, in response to a valid customer request. They also set out consent requirements, how data may be used and privacy safeguards. Information on the progress of the implementation of the Consumer Data Right in banking and energy can be found at <https://treasury.gov.au/consumer-data-right>. The Inquiry is not focussing on the current progress of the Consumer Data Right in these sectors or its expansions to specific new sectors.

While the Rules currently apply only to particular types of banking products and data holders, it is intended that they will progressively apply to a broader range of data holders and products throughout the Australian economy. With this in mind, the Inquiry is interested in receiving submissions from all sectors of the economy, not just those focussed on banking.

Future role and outcomes of the Consumer Data Right

The economy is becoming increasingly digitised, with Australian consumers sharing information with businesses that provide them products and services.

As articulated in the Australian Government's Digital Economy Strategy, a challenge for government is to ensure that the digitised economy delivers Australians "an enhanced quality of life and [allows them to] share in the opportunities of a growing, globally competitive modern economy, enabled by technology."¹

¹ Australian Government (2018) 'Australia's Tech Future: Delivering a strong, safe and inclusive digital economy', page 6.

Consumers reap enormous benefits from digital products and services, but hidden costs and uncertainty regarding how their information is being used can erode their trust in both digital services and their own capacity to effectively navigate them.

By giving consumers more control over this information, the Consumer Data Right has the potential to improve outcomes for consumers including the choice, convenience and the confidence consumers have in dealing with their data and the digital economy and in a manner which is inclusive of the needs of all consumers. For consumers, this can be conceptualised as a safer track to engage with the changing world of the digital economy.

By establishing a framework that introduces standardisation, systems which support trust between participants, clear liability and providing access to the data necessary to create innovative products and services, the Consumer Data Right has the potential to create the conditions for an Australian digitised ecosystem to grow. Within this ecosystem, a wide range of products and services that either support consumers or facilitate specialisation of businesses that service consumers, should be enabled to flourish.

The benefits of the Consumer Data Right are potentially wide ranging. Detailed and personalised comparisons drawing upon insights from real customer data, third parties who consumers engage to create new accounts and close old accounts on their behalf, and new technologies that are both informed by, and inform, consumer behaviour could all be made possible through the expansion of the Consumer Data Right.

Reducing time spent on life admin, so Australians can spend their time on what really matters to them

As one example, in future the Consumer Data Right could make it possible for a consumer to choose to share their data with a trusted third party that helps people organise their 'life admin'. By bringing together the consumer's data from their service providers across a number of sectors (including banking, energy and telecommunications), this business could give the consumer a single up-to-date dashboard of all of their products, contracts, and plans, including the cost and time remaining on each, account balances and bill due dates, and alert them in real time when better deals become available. The business could also apply for new products and cancel old accounts on the consumer's behalf, with their consent.

This is one hypothetical example of how the Consumer Data Right could deliver convenience and other benefits to consumers and, as the digital industry grows through the increase in consumer participation, the number of ways in which it can be used could be expected to rise. Of course, achieving this convenience and these benefits for consumers also requires care to assess and manage additional risks which can arise from a broader and deeper use of data.

The Consumer Data Right offers new ways of innovating, where businesses could use the information to compete more effectively, understand their customers better, develop new and improved products and services and assist their customers. With features designed to provide flexibility for, and fairness between, businesses, the Consumer Data Right should provide businesses with the clarity, certainty and consistency needed for them to invest in their technology, people and customers.

Though the potential benefits of consumer directed data portability are great, there are also potential risks to privacy and security from the sharing of personal data, and these should be kept in mind in further developing the Consumer Data Right.

The Consumer Data Right also provides opportunities for Australia to participate at the forefront of digital innovation. And by leveraging the work being done for the Consumer Data Right, there are also opportunities to provide benefits beyond the Consumer Data Right system itself. By creating

benchmarks, an infrastructure, and an ecosystem for safe, efficient and fair information sharing, the Consumer Data Right could provide a framework to help connect different parts of Australia's digital economy. The Consumer Data Right could help provide a sustainable foundation for Australian consumers to be in control of their digital future, and for Australian businesses to grow in the digital economy here and overseas.

The Inquiry invites submissions on the future roles that could be performed by the Consumer Data Right, the future outcomes which could be achieved, and what is needed for this to happen.

International context

Consumer-controlled data portability regimes similar to the Consumer Data Right are progressing in a range of international jurisdictions, although differing approaches have been taken to implementation, in terms of scope, compulsion and standards-setting.

The United Kingdom was the first to develop Open Banking, with the system commencing operations in January 2018 and having over one million users by January 2020. The UK has announced that its 'Smart Data' model will be extended to the energy and pension markets, and has set out a strategy for further extension.

In the European Union, Payment Services Directive 2 (PSD2) is the framework which provides for data portability in the manner which is the most similar to Open Banking in the United Kingdom. PSD2 requires European banks to give authorised third-party payment initiation and account information service providers access to customers' accounts. Aspects of PSD2 have taken effect but others remain subject to a transitional period.

In 2018 the Canadian Government announced that they would review the merits of open banking and, in January 2020, released an advisory committee report which recommended enabling 'consumer-directed finance', through a framework involving both industry and government. The report recommended that the role for Government would include connecting consumer-directed finance to discussion about the broader application of data sharing across all sectors and to government efforts on enabling a data-driven economy.

Singapore and Hong Kong are encouraging banks to adopt APIs. The Hong Kong Monetary Authority published its *Open API Framework for the Hong Kong Banking Sector* in July 2018. The framework applies in phases, commencing with product information, then customer on boarding, then account information and payment information services. Singapore has encouraged banks to adopt open banking, by providing guidelines, including an 'API playbook' with more than 400 recommended APIs.

The Inquiry invites submissions on how the Consumer Data Right can be leveraged with international developments of the kinds described above to enhance opportunities for Australian consumers, Australian businesses and the Australian economy.

SWIFT Response:

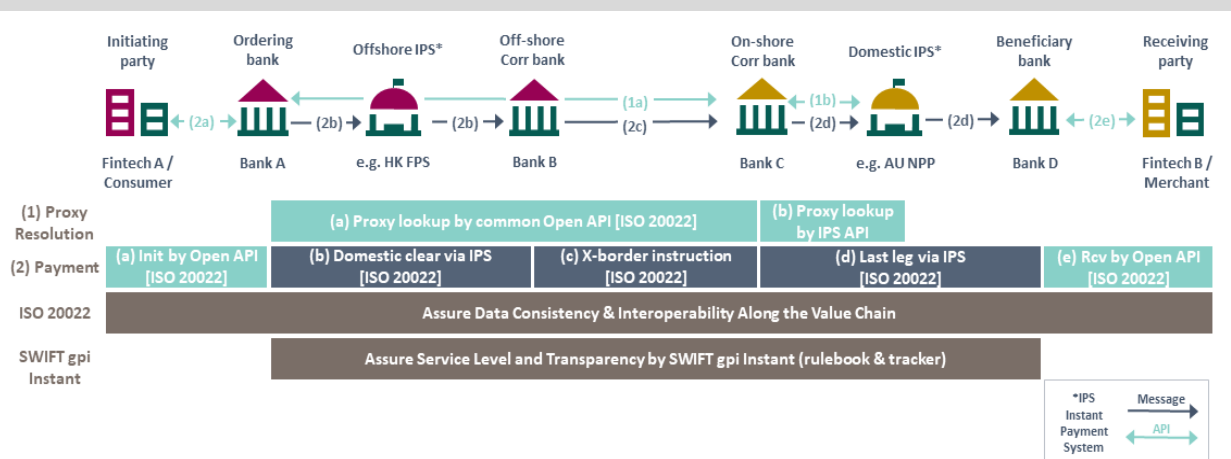
Despite different approaches taken by many jurisdictions to adopt and develop Open Banking, we see common challenges around interoperability, standardisation and compliance that are faced by Banks, FinTechs and businesses operating across multiple markets.

SWIFT views the adoption of the ISO 20022 standard as a vehicle that can bring substantial benefits to the creation of Open Banking APIs and other APIs for the banking sector. Well established in the banking industry, the standard provides for frictionless data exchange among all relevant parties.

In the Asia Pacific region, ISO 20022 has, or will be, implemented by infrastructures in Hong Kong, China, India, Japan, Australia, Singapore, Thailand and Philippines. Globally, the Federal Reserve, DTCC, Bank of England and more have already adopted it as the standard of choice. Specifically for payments, within the next 5 years, there will be an estimated 85% of the global value of payments happening using the standard.

For the future development of CDR adopting write-access for the banking sector, we believe the NPP API Framework to be a recommended point of reference along with the UK Open Banking standard, European Union PDS2, and Payments New Zealand API standards, the basis of all being ISO 20022, inclusive of payment initiation.

The current High Value Clearing System (HVCS) administered by AusPayNet and operated by the RBA envisages a migration to the ISO 20022 messaging standard in the coming years. It will be opportune to apply the CDR principles for payment initiation that contemplate a harmonised common set of Open Banking APIs to support both the NPP and HVCS clearing and settlement mechanisms. Other payment initiation schemes could be built on top of this. For instance, pay-to-mobile or pay-to-QR from a local bank account in the context of overseas tourists shopping at local stores. SWIFT views ISO 20022 as fundamental to this evolution in the finance sector, indicative interactions as depicted below.



Switching

Evidence suggests that many Australian consumers and businesses could be getting a better deal on banking and other regulated services. Many customers tend to remain with the same banking services or electricity provider for extended periods, even in the presence of more competitive offerings elsewhere. A persistent theme in findings of poor customer outcomes is the role played by a lack of meaningful information.

The Consumer Data Right seeks to reduce those barriers. Requiring banks to grant access to data on their product terms and conditions while giving customers the ability to direct their bank or other service provider to securely share their data with whom they choose should lead to the development of comparison and more sophisticated advisory services better able to provide tailored product recommendations. Also the addition of write access (as described below) should lead to the development of services which enable customers to change their service provider more easily.

The Inquiry invites submissions on how the Consumer Data Right could be used to overcome behavioural and regulatory barriers to safe, convenient and efficient switching between products and providers, whether those barriers are sector-specific or common across industries.

SWIFT Response:

The Consumer Data Right in the context of the financial industry should leverage switching services implemented via the NPP, notably through the addressing service where bank accounts can be addressed by way of aliases (email address, mobile number, company number, company name) and can be readily ported (switched) across institutions.

SWIFT is developing the Mandated Payment Service for NPP Australia, which will support the direct porting of payment mandates across institutions. Both services have a foundation set of APIs and use ISO 20022 to formalise data exchange. A dedicated infrastructure using common and open standards such as that offered by NPP represents an important step for financial institutions to overcome behavioural barriers to safe, convenient and efficient switching between products and providers.

Read access

The Consumer Data Right currently provides for 'read' access, that is, the transfer of data about a customer to them or a trusted third party at the customer's direction and with their consent. A trusted third party can read the customer's data, but they cannot modify it.

The Inquiry will look at the scope of current 'read' access functionality and consider options to expand it. This could include looking at:

- the potential to develop a 'consent taxonomy', using standardised language for consents across providers and sectors
- how best to enable consumers to keep track of, and manage, their various consents
- the promotion of industry cooperation on standards for 'voluntary' data sets
- how the creation of a safe and efficient ecosystem of participants and service providers could be accelerated, and

- the scope for use of tiered accreditation to promote broader access without increasing risk.

The Inquiry welcomes input from interested parties on these topics – including their benefits and costs – as well as any other ‘read’ access functionality that the Inquiry should consider.

Write access

Under the Terms of Reference, the Inquiry is to examine how the Consumer Data Right could be expanded to include ‘write’ access, that is enabling a trusted third party to change or add to data about a customer at the customer’s direction and with their consent. Write access could allow consumers to authorise trusted third parties to apply for, manage and change products on their behalf through APIs.

In Open Banking, a possible use of write access is to enable third parties to initiate payments on behalf of customers, with the customers’ consent. However, the concept of write access is not limited to payment initiation and extends beyond banking. For example, in the energy context, write access could enable a consumer to open a new account, and make changes to or close an existing account, quickly and easily through a third party. This could enable the development of convenient and efficient switching services which not only offer to find customers a better deal, but also to switch them.

In addition to considering potential uses and benefits of write access across sectors, the Inquiry will consider barriers to enabling write access, including possible regulatory barriers, compliance costs and risks involved. This includes issues such as who should bear responsibility for payments made, and for changes made to data, and whether write access should extend to the ability to change details which identify a customer (and if so, how any associated security risks could be minimised).

The Inquiry is interested in interested parties’ views on these issues. In the context of Open Banking, the Inquiry is particularly interested in interested parties’ views on how the Consumer Data Right could best enable payment initiation.

Linkages and interoperability with existing frameworks and infrastructure

Businesses operating in the digital economy rely upon a range of frameworks and infrastructure to operate efficiently and provide products and services to customers. The Consumer Data Right regime seeks to build upon and complement the arrangements businesses use, and not to displace them when they are used for future data-driven services.

The Inquiry will look at potential linkages and interoperability between the Consumer Data Right and existing and future frameworks and infrastructure. Some frameworks and infrastructure will be common across many or all sectors; others relate only to particular sectors.

The Inquiry will consider, for example, how customer authentication requirements for the Consumer Data Right relate, or could link, to other digital identification and verification processes.

In the context of Open Banking, the Inquiry will consider how the Consumer Data Right, were it expanded to enable write access, could relate to or interact with existing and future payments systems and infrastructure, such as the New Payments Platform (NPP), Bulk Electronic Clearing System, and EFTPOS.

The Inquiry welcomes input from interested parties on the above, including potential linkages and interoperability with other consumer-directed domestic and international data portability regimes, and accreditation frameworks that focus on data risk management.

SWIFT Response:

SWIFT is the provider of the underlying technology that supports two of Australia's domestic payment systems: the RBA-operated High-Value Clearing System (HVCS) and the New Payments Platform (NPP). SWIFT commends the Inquiry for progressing interaction with NPP and the other domestic payment mechanisms in the context of Open Banking enabling write access.

NPP has published and promulgated an API framework that merits referencing as a data driven set of specifications for the development of APIs and use of ISO 20022 to formalise the data exchange. Further, the NPP Mandated Payment Service will provide a centralised mandate management platform enabling consumers to have greater certainty and better control of preauthorised payments through connected participants and financial institutions.

At an international level SWIFT, has established, and is establishing, linkages and interoperability capabilities with most of the global financial market infrastructures and key players. This includes the deployment of the 'global payment innovation' (gpi) for cross border payments and more recently the ISO 20022 migration programme for payments. Digital identification and verification processes are core to our global operation and to safeguarding the broader banking community.

As an international co-operative and a provider of systemically important financial infrastructure, SWIFT has unique governance and oversight arrangements designed to ensure safe and secure movement of value and associated data between regulated financial institutions in every corner of the world. In addition to our data standards proficiency, we are very familiar with the challenges of maintaining a broad ecosystem of network players and bring expertise in areas such as on-boarding, access control, version control, transaction/data validation, user authentication, partner certification, non-repudiation, closed user groups and change control. We anticipate that all of these areas will require effective management as the banking ecosystem starts to open up to a broader group of industry participants.

SWIFT anticipates that Australian Prudential Regulation or governance of similar responsibility and scrutiny will be applicable to most financial services APIs associated with write access. These critical control measures are in place to safeguard consumers today and consumers themselves have a higher expectation of trust and lower risk appetite associated with banking transactions versus data exchanges with utility providers and organisations in other sectors. Consideration should be given to the different types of data custodians and the necessary controls and accreditation requirements for each.

Leveraging our existing standards expertise, SWIFT also supports API development. The SWIFT API toolkit delivers the following business features:

1. A "Modelling" toolset that natively supports existing financial business standards, so API developers can develop and govern APIs that are easy to integrate into existing financial systems and processes.
2. An "Exposure" platform built around a developer portal and a robust API gateway that provides a single trusted entry point to all financial institutions and global corporates.
3. A range of "Consumption" gateways and Software Development Kits (SDK) that provide simple but secure access to the Exposure platform.

SWIFT is open to further sharing and presenting to the Inquiry its observations and experience, and to establishing an ongoing rapport in support of formulating an Australian financial landscape based on standardisation and systems which support trust between participants, clear liability while providing access to the data necessary to create innovative products and services.

Leveraging Consumer Data Right infrastructure

The Inquiry will look at how legal, infrastructure or organisational arrangements that have been developed for the Consumer Data Right could play a broader role in the digital economy.

The Consumer Data Right has established solutions to problems that may also exist elsewhere in the digital economy – in particular, in relation to data portability and custodianship of data. For example:

- it has established a Data Standards Body to develop common standards for data portability in collaboration with industry - to overcome coordination problems that prevent industry naturally developing and consistently adopting these.
- it establishes information security standards with the aim of ensuring that customer data is held safely from internal and external threats.
- it provides systems of assurance and verification relating to compliance with these security standards (e.g. accreditation and the associated register).

There are a range of existing regulatory frameworks that seek to address similar problems – often in potentially inconsistent or industry-specific ways which are not compatible or interoperable with each other.

The Inquiry will examine whether arrangements, such as the Data Standards Body and accreditation regime, could be leveraged to support the development of productivity-enhancing initiatives within the digital economy more broadly.

The Data Standards Body is responsible for setting technical standards for the Consumer Data Right. We invite submissions on the remit of the Data Standards Body, including whether there may be a role for it beyond setting standards required to facilitate the Consumer Data Right.

In order for a data recipient to be able to request and receive data from a data holder under the Consumer Data Right, the data recipient must first be accredited by the Australian Competition and Consumer Commission. The Inquiry will consider whether there is potential to leverage this accreditation regime (or elements of the regime – such as the information security standards) in other contexts in developing a safe and efficient digital economy.

The Inquiry welcomes views on the above as well as any broader role that other aspects of the Consumer Data Right regime could play in supporting productivity and data security in the digital economy.

SWIFT Response:

As SWIFT considers the opportunities that the CDR presents and enables the importance of standards, and the interoperability they support cannot be under emphasised. With a common *language* data can become information, allowing processes across value chains to be simplified and automated. The codification of data in the millions of messages moved everyday by SWIFT has enabled straight through processing between member entities, regardless of country or language. Within Australia, this is the opportunity for the Data Standards Body and the CDR.

An example of this is that within the economy today there is no direct data linkage between many different aspects of a business, its customers and its accounting. We see businesses having a public ‘trading name’ used on its website, advertising and building. This is often different from the merchant name used for receiving or collecting payments, and different again from the account name that payments are deposited. Although we are seeing start-ups trying to address these gaps, the most efficient way would be to allow the details recognised by the Payer to flow with the transaction to the Payee (beneficiary), but also back to the statements and accounts of both parties. This would increase trust, lower the risk of fraud and approve the efficiency of reconciliation processes

Another extension would be applying leveraging the data standards more widely to extend the flow of information to simplify and automate the sharing of non-personal information. An example of this would be making available Rates information to lenders to simplify and increase the accuracy of expenditure analysis. Beyond consumer data, there are a large number of industry-specific value-added networks that could be enhanced using the accreditation, security and data standards of the CDR. This can include automated updates on project statuses, changes in destinations for payments, deliveries and ownership. In an increasingly interconnected world, the ability to *read*, and potentially *write*, information across the extended value-chain will ensure that accurate and required information is available when it is needed and where it is needed, with security, control and confidence.

The capabilities of *interoperability*, *protection* and *management* are a model SWIFT has followed and the CDR has established. They provide a foundation through which its infrastructure can be leveraged to deliver greater productivity and data security to the digital economy.

Consumer protection

By giving customers more control over their data, the Consumer Data Right has the potential to positively impact customers in a wide variety of ways, from cheaper products and services, to helping customers to choose more suitable products and services, to providing real time convenience in obtaining and managing products and services.

However the Inquiry recognises that data-based reforms need to be developed in a manner that takes into account the potentially diverse needs of customers including the vulnerable, both in terms of access to relevant technologies, and the impact that data-based reforms may have on them.

The Inquiry will also consider potential privacy impacts of expanding the functionality of the Consumer Data Right in the ways described in this Issues Paper, and how any privacy risks may be mitigated.

The Inquiry invites submissions from interested parties on how to ensure that, as the Consumer Data Right develops, it does so in a manner that is ethical and fair, as well as inclusive of the needs and choices of all consumers. This includes ways to encourage socially beneficial uses for the Consumer Data Right.