

## HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

### REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS

#### Commonwealth Bank of Australia

#### **CBA80QW: Consumer Data Right**

(a) How many customers have requested that their data be shared with accredited data recipients through the Consumer Data Right regime?

(b) How long, on average, does it take for the bank to transfer data to accredited data recipients after it has been requested by customers?

(c) What strategies or processes has the bank implemented to overcome the following challenges with Consumer Data Right:

(i) The critical challenge of low consumer trust in the Consumer Data Right system;

(ii) Managing consent; in particular, balancing the need for consumers to understand what they are consenting to without being deterred by excessively complex procedures; and

(iii) The risk of data breaches.

**Answer:** (a) Since consumer data sharing commenced on 1 July 2020, over 3,000 CBA customers have set up data sharing within their NetBank profile; of which, 59 per cent are actively sharing data with an accredited data recipient.

(b) After a customer has consented to share their data with an accredited data recipient in accordance with the Consumer Data Right (CDR) Rules, transfers of a CBA customer's data to the accredited data recipient can occur in as little as a matter of seconds.

(c) CBA supports the CDR as an important pillar of Australia's digital economy, and becoming the platform adopted by all parties to share consumer data, replacing unsafe and unprotected practices (i.e. sharing online banking credentials).

(i) The CDR is a multi-year, economy-wide reform, and it will take some time to reach scale and maturity. Learning from the United Kingdom's Open Banking experience, we expect that growth will be gradual as more sectors and participants join the ecosystem; more propositions are offered to consumers; and consumer awareness increases.

We are delighted to be the first major bank to become an accredited data recipient, and are excited about the possibilities Open Banking brings to help us better support customers.

(ii) Since the CDR's inception, CBA has regularly contributed to consultations on consumer experience and consent. The CDR's consent management design plays a key role in ensuring consumers are in control of their data, both

in terms of who it is shared with and how it is used, which is essential for building consumer trust in the regime.

Under the regime, consumers must opt-in, provide informed consent and determine what data to share as well as the purpose(s) for which the data is shared with an accredited person. Consumers can view and manage their consents on an ongoing basis through a consent dashboard (available in NetBank for CBA customers), including withdrawing consent at any time.

(iii) Protecting our customers' data is a responsibility we take very seriously and, each year, we invest significantly in our cyber security controls.

CBA has contributed to consultations on the CDR Rules and Standards, including privacy, data protection and overall security of the ecosystem. A key principle has been to ensure that the CDR provides a seamless consumer experience, whilst maintaining robust protections of consumer data.

All parties involved in the CDR ecosystem have a role to play in protecting consumer data. The strong controls in place to mitigate the risk of data breaches should be maintained as the CDR evolves, in particular the accreditation requirements for participants in the regime.