



6 March 2023

Senate Standing Committees on Economics
PO Box 6100
Parliament House
Canberra ACT 2600

Via My Parliament Portal

Classification Public

Re: Cuscal's response to the Treasury Laws Amendment (Consumer Data Right) Bill 2022.

Cuscal Limited (Cuscal) welcomes the opportunity to provide a submission to the Economics Legislation Committee's inquiry into the **Treasury Laws Amendment (Consumer Data Right) Bill 2022**.

Background to Cuscal

For over 40 years, Cuscal has leveraged our assets, licensing, and connectivity to provide intermediary and principal outsourcing activities on behalf of our clients. We are an end-to-end payments specialist that services more than 100 established ADI and challenger brand clients within Australia's financial system, including most of the mutual banking sector, and a growing number of FinTech and 'PayTech' enterprises. We enable their market connectivity so they may provide innovative products, business models, and drive improved customer outcomes.

We are an Authorised Deposit-taking Institution (ADI), the holder of an Australian Financial Services Licence, and an Australian Credit Licence for Securitisation purposes. Cuscal has Board representation with Australian Payments Plus, NPPA, Australian Payments Network and participates in numerous industry committees. We were the creator and founding shareholder of 86400 (rebranded to ubank, <https://www.ubank.com.au/>), a fully licenced mobile-led digitised bank, which we sold to National Australia Bank in 2021.

The services that we provide to our client institutions include card scheme sponsorship for issuing and acquiring, payment card issuing, card production services, digital banking applications, access to domestic payment services using direct entry, BPAY, the New Payments Platform (NPP) and Open Banking Data holder services. We also act as settlement agent for many of our clients through our Exchange Settlement Account with the Reserve Bank of Australia (RBA).

As a fully PCI-DSS accredited ADI, Cuscal is uniquely placed to provide secure and robust capabilities that facilitate access to markets that would otherwise be beyond the reach of some organisations.

Cuscal's Responses to the Inquiry

The proposed Bill aligns with our previous submission on the Treasury's Consultation on Consumer Data Right - Exposure draft legislation to enable action initiation. Briefly, the Bill will achieve the following:

1. Extend the existing CDR provisions to include action initiation.
2. Introduce new and revised terminologies and definitions to support action initiation.
3. Expand the powers of the Minister to designate action types and make rules enabling action initiation.
4. Extending Privacy safeguards to CDR action service providers and initiators.





By enabling third-party providers to take actions on behalf of consenting consumers, the Bill will make consumer interactions with the CDR more efficient, removing friction and so realising the benefits of CDR for both companies and individuals.

Cuscal continues to be a strong advocate for maintaining consumer privacy and ensuring privacy requirements are aligned across all parties managing CDR data within the CDR regime. The protections provided by the Privacy safeguards for CDR consumers ensure sensitive and confidential information remains protected at all stages of the process and helps to build trust within the ecosystem. Cuscal supports the Bill's extension of the Privacy safeguards. In Cuscal's view Privacy and security are the cornerstones of any data-based economy.

Although we have no substantive comments on this Bill, we wanted to highlight to the Committee the impact that the rate and magnitude of change in this space will have on the industry. To avoid delays in introducing action initiation, which would damage the industry's ability to create a commercial solution and provide a secure ecosystem for the market, the rate and magnitude of change in this space will need to be carefully managed by the Treasury and the ACCC.

We look forward to reviewing the supporting rules / standards, which will provide details on how 'actions' under CDR will be undertaken.

Concluding Remarks

Cuscal broadly supports the Treasury Laws Amendment (Consumer Data Right) Bill 2022, which will unlock efficiency and further realise the benefits of the CDR for Australia. However, the rate and magnitude of change in this space will need to be closely managed by Treasury and the ACCC to ensure successful transition and the timely realisation of associated benefits for both the industry and consumers.

We look forward to discussing our submission with you. In the interim should you have any questions or require further information please feel free to contact me.

Yours sincerely,

Cuscal Limited

Kieran McKenna

Chief Risk Officer

