

ADATREE

Committee Secretary
Senate Standing Committees on Economics
Department of the Senate
PO Box 6100
Parliament House
Canberra ACT 2600
Australia

Dear Senate Economics Legislation Committee,

We are pleased to provide commentary on the Government's proposed amendments to the *Competition and Consumer Act 2010* through *Treasury Laws Amendment (Consumer Data Right) Bill 2022* to expand the Consumer Data Right (CDR) to enable Action Initiation, as per the recommendations of the *Inquiry into Future Directions for the CDR*. This Bill represents a fantastic step forward for consumer empowerment, and we are eager to provide our views on how this can best be enabled. Action Initiation will cement CDR as a cornerstone for Australia's digital economy at large.

From housing affordability to cost of living pressures and energy availability, empowering consumers to choose how they use their data will make previously complex tasks easier, and provide possibilities for new solutions to many emerging and ongoing social issues. At Adatree, we believe that increasing consumers' ability to access and control their data will be instrumental in improving consumer outcomes.

This submission is to voice our overall general support of the Bill and the benefits it will provide by bolstering consumer confidence and choice for Australians engaging with services reliant on their data. We are strong proponents of integrating Action Initiation in the CDR and are eager for these proposed changes to be put into effect.

The COVID pandemic demonstrated how important effective and secure digital infrastructure is for ensuring that we as a community are equipped for future challenges of all kinds. Building Action Initiation into CDR now will ensure that the system remains world leading for years to come.

If you require any more information or have any questions, please feel free to contact D'Arcy Mullamphy.

About Adatree

Adatree has been a pioneer in the Consumer Data Right since June 2019 with its turnkey Software as a Service platform for Data Recipients. Adatree's platform removes technical complexities so companies can focus on leveraging data instead. Our platform enables companies across all industries to receive real-time consented banking data via API.

Adatree's award-winning platform simplifies the hardest part of the CDR – the technical connection and security standards – by providing connectivity to the CDR ecosystem through one API.

As a company, we have significant expertise operating within the CDR ecosystem and first-hand experience navigating its challenges. As first-movers in the CDR market, we understand the real-world challenges faced by startups and smaller companies who would rather participate in the CDR than rely on unregulated and unethical forms of data-sharing, like screen scraping.

Key points

The consumer benefits of CDR are clear

Information is one of the most powerful resources in the modern economy, but until recently Australian consumers have had very little control over their data. Instead, it has primarily been leveraged by large corporations to improve their ability to target products and extract value from their customers.

The Consumer Data Right puts consumers in a position of control over their data, giving them a right to access, use and share their own information. It is established on the tenets of customer choice, convenience and confidence and aims to both protect and empower consumers. The result is that CDR is disrupting the status quo and making consumers the primary beneficiaries of their information.

CDR-powered services are already making waves

Though the CDR system is still new, it has already resulted in the emergence of a whole new industry of services looking to cater to privacy-conscious consumers seeking better ways to benefit from their data. The range of services available using CDR include things like mortgage repricing tools, financial management services, and new payment processes, with more becoming available each week.

CDR is also providing new tools for addressing significant social challenges, including reliance on inefficient energy sources and rising costs of living. By giving consumers - both individuals and businesses - greater access to their data, the CDR is enabling consumer driven and industry led solutions to these significant issues.

Action Initiation will amplify the growing momentum of CDR

Noting the significant consumer benefits already being delivered through CDR, it is important to maintain this momentum through the introduction of Action Initiation.

Action Initiation will empower consumers to interact with their service providers - like their banks and energy providers - through accredited parties of their choosing. This will increase the ability for the consumer to choose how they want to engage with their essential services and make it even easier for them to act on the insights contained in their information.

For example, CDR can currently allow a consumer to view all of their finances centrally through a personal financial management tool. With Action Initiation, they will be able to actually manage all of their accounts from a single screen.

CDR Action Initiation also promises to further simplify the process of switching accounts - turning an hours-long ordeal into a few simple clicks.

The changes provided by Action Initiation will be instrumental for improving competition and reducing the concentration of power among a few large players.

CDR is needed now more than ever

Australia is currently undergoing a historic period of change, with financial services that were once the best option for consumers now no longer being appropriate. The Governor of the Reserve Bank made it clear how they expect people to cope with these changes, saying:

“My advice here is: switch. If Australians switch, then the banks have to respond. If there's competition, firms have to respond.”

- [Philip Lowe](#)
Governor of the Reserve Bank of Australia

Though this may sound easy, this can actually be very daunting for many Australians, especially when so many variables are at play. Switching is only successful when it is built on a firm understanding of the options available and a consumer's specific circumstances, so without these key factors there cannot be any certainty that a consumer will actually be made better off. This is where improved, secure data sharing through the CDR needs to play a role.

We are already seeing CDR industry participants providing real benefits to consumers during this difficult time - such as Sherlock, a CDR-powered repricing and refinancing tool that helps consumers get a better deal on their mortgage. This is the exact kind of private sector innovation which is needed to complement targeted government support programs to provide relief to everyday Australians.

Action Initiation should reuse existing legal and technical infrastructure wherever possible

The key to making Action Initiation successful will be to build on the legislative and technical groundwork laid by CDR data sharing wherever possible. Both those who have joined the system due to regulatory obligations and those who have joined to offer new consumer services have invested heavily in ensuring that their systems are compliant. As such, we are supportive of the Bill's significant focus on reuse.

The privacy protections afforded to consumers shouldn't stifle their control

While we are largely supportive of the Bill and the positive direction it proposes to take the CDR, we do still believe that it reinforces an overly restrictive view of consumer data sharing. The intention of CDR is to give consumers greater

freedom in how they access and use their data, but the system heavily limits what services the consumer can consent to receiving through its bespoke privacy protections. While on one hand this can be seen to protect consumers, on the other it deprives them of the ability to make informed decisions about the services they want to receive.

We argue that, as the recommendations of the Privacy Act Review are considered by government and brought into action, the CDR should be integrated more holistically into Australia's overarching privacy framework. Ensuring that a consumer's information is consistently protected under a single, common privacy system - whether collected through CDR, screenscraping or manually - will promote better understanding and improve overall consumer outcomes.