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Senate Economics Legislation Committee

6th March 2023

Submission to the Inquiry into the Treasury Laws Amendment (Consumer Data Right) Bill 2022 [Provisions]

Thank you for the opportunity to make a submission to the Senate Economics Legislation Committee Inquiry into the Treasury Laws Amendment (Consumer Data Right) Bill 2022 [Provisions].

The bill amends the *Competition and Consumer Act 2010* to establish action initiation reforms, enabling consumer data right (CDR) consumers to direct accredited persons to instruct on actions on their behalf, such as making a payment, opening and closing an account, switching providers and updating personal details, using the CDR framework.

We are fully supportive of the principles of a consumer data right. It is a right for consumers to have access to their own information that others hold about them and a right for consumers to ask service providers do something on their behalf that improves the services they use.

Unfortunately, almost every consumer and small business seeking finance for assets such as motor vehicles, caravans, water craft and commercial equipment such as cookers and refrigerators will be unable to benefit from the CDR. This is because their finance brokers are excluded from the definition of trusted adviser in the CDR rules. Brokers account for more than 50% of all finance applications submitted to financiers. For some assets classes they would account for much more than 50%.

The full benefits of CDR only confer on a consumer who is looking for a mortgage or who is going direct through a financial institution.

The FBAA first raised a concern about this in early 2022. We have been seeking some form of explanation for the non-inclusion of finance brokers since that time. Finance brokers are licensed, hold qualifications, undertake annual professional development and are members of the external dispute resolution scheme AFCA.



More generally, we note the framework is very complex. Some of the matters addressed in the Bill relate to making amendments to earlier definitions as it has transpired the earlier definitions were inadequate. This highlights the problems with complex drafting. In the early days of CDR we are fixing earlier drafting deficiencies using further drafting.

The framework is already at risk of becoming buried under defined terms. We have designated sectors, data holders, accredited data recipients, accredited parties, designation instruments, accredited action initiators (all of who must be accredited persons), action service providers, declared action service providers, multiple action service providers, voluntary action service providers, global terms that cover more than one defined party such as CDR action participant and then in addition to all of this, the Rules can specify different conditions for each group.

Yours faithfully

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Life Member – Order of Australia Association

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