



23 March 2018

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Open Banking Secretariat  
The Treasury  
Langton Crescent  
PARKES ACT 2600  
By email: [data@treasury.gov.au](mailto:data@treasury.gov.au)

PayPal Australia (PPAU) is generally supportive of the approach recommended in the Open Banking – customers, choice, convenience, confidence report prepared for Government by Scott Farrell.

The report's recommendations represent a considered and reasonable approach to how Open Banking should be done, and establishes a sound regulatory approach on which to base the broader Consumer Data Right.

With particular regard to the Recommendations made in Chapter 3 of the Report, "The scope of Open Banking" PayPal Australia PPAU would like to make the following observations.

PayPal Australia strongly supports Recommendations 3.1 and 3.4 relating to banks as data holders being obliged to share the outcome of an identity verification assessment performed on a customer, provided the anti-money laundering laws are amended to allow data recipients to rely on that outcome.

As noted in our earlier submission to the Issues Paper – PPAU believes the sharing of data to confirm identity for the purposes of regulatory obligations could be securely and confidentially shared between institutions. This could limit customer inconvenience and improve efficiency of identification procedures for all financial service providers. As the report notes "this approach would make it easier for customers to switch between providers by simplifying the process of sending copies of their personal documents and increase the efficiency with which competing providers are able to secure and on-board new customers".

The report notes that obtaining access to supporting documents provided by an individual as part of an identity verification is one of the most common methods of identity theft.

To reduce this risk, PPAU agrees with the recommendation that data holders be obliged to share the outcome of an identity verification. We would, however, also like to suggest that consideration be given to ensuring that other data sets that may be useful to confirming “control” of an account or credit/debit card also be in scope..

This would enable From a technical integration perspective PPAU is supportive of leveraging international standards for Open Banking. This simplifies the implementation for global companies operating over multiple geographies, while also lowering the barriers to entry for Fintech’s or other technology companies who have built innovative solutions in other markets to bring these innovations to Australian consumers and businesses.

PPAU is concerned that the sharing of transaction data under recommendation 3.2 is practically fraught with privacy and information security risks. As a result there should be further detailed review and consultation as to how this data may be shared and exchanged between organisations and in order to minimise these risks, when considering the recommendations in Chapter 4 “Safeguards to inspire confidence”. PPAU also would urge further consideration and industry consultation on the development of the protocol for authorization and authentication as discussed in Chapter 5.

We welcome the opportunity to provide a submission on this Report, and if we can provide any further assistance please contact either myself, or our Director, Government Relations Kate Schulze [katschulze@paypal.com](mailto:katschulze@paypal.com)

Kind regards,

A handwritten signature in blue ink, appearing to read "L. Roy".

Libby Roy  
Managing Director PayPal Australia