



18 January 2019

Manager
Consumer Data Right Team
Structural Reform Group
Treasury
By email: data@treasury.gov.au

To whom it may concern,

Draft Privacy Impact Assessment – Consumer Data Right

As a major credit reporting body in the Australian credit landscape, illion (formerly Dun & Bradstreet Australia and New Zealand) welcomes the opportunity to provide this submission to Treasury regarding the Draft Privacy Impact Assessment (Draft PIA).

illion remains a strong supporter of the implementation of Consumer Data Right (CDR) in Australia. The CDR will provide numerous benefits to the Australian economy, transforming the way financial services consumers interact with the banking system by providing the ability and tools to safely share data with different lenders, other financial institutions and fintech companies. In doing so, consumers will be able to access the most appropriate and economical financial products to suit individual needs. Likewise, granting access to consumer data will ensure providers will be able to offer innovative products at more competitive rates. illion believes that intermediaries, such as our subsidiary, illion Open Banking Solutions (formerly Proviso), will be critical to the practical implementation of the CDR in Australia, beginning with Open Banking.

If there are any questions or concerns arising from this submission, please contact me at any time at steven.brown@illion.com.au.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Steve Brown", written over a light blue horizontal line.

Steve Brown
Director- Bureau Engagement

1. About illion

illion is the leading independent provider of data and analytics products and services across Australasia. The organisation's consumer and commercial credit registries make up a central component of Australia and New Zealand's financial infrastructure and are used to deliver end-to-end customer management solutions to clients. Using extensive credit and commercial databases, we assist banks, other financial services providers and other businesses to make informed credit and risk management decisions, and help consumers access their personal credit information.

We also make this submission on behalf of our subsidiary, illion Open Banking Solutions (formerly Proviso), the leading aggregator of banking data in Australia. illion Open Banking Solutions will play a key role in the financial ecosystem under Open Banking with products and services for consumers, businesses, fintechs and authorised deposit-taking institutions (ADIs).

2. Outline of this Submission

illion is a strong supporter of the Federal Government's initiative to implement the CDR in Australia, and agrees that it will provide consumers with greater control over their own data and the ability to access more competitive deals across different sectors.

Data security is at the core of our business, with consumer privacy protections held as the highest priority. We therefore agree with all nine recommendations outlined in the Draft PIA and support Treasury's efforts to assess the risks attached to implementation of the CDR, and determine mitigation strategies in order to best manage these risks. We would, however, acknowledge that all processes used to implement the CDR must be cognisant of potential, unintended consequences caused by a disproportionate focus on privacy concerns at the cost of system usability for consumers.

This submission will offer our views on each recommendation, with emphasis on the need to ensure balance between privacy measures and usability in the implementation of Open Banking.

3. Specific Comments on the Draft Privacy Impact Assessment

Recommendation 1: Consumer Engagement

illion agrees that the Australian Competition & Consumer Commission (ACCC), the Office of the Australian Information Commissioner (OAIC) and the Data Standards Body should continue to incorporate behavioural research in the CDR system design, to ensure actual consumer preferences and behaviours are taken into account when assessing consumer exercise of privacy rights. We also agree that there should be particular regard paid to vulnerable groups in consumer testing by the Data Standards Body.

We would emphasise the need to ensure that balance is achieved between a focus on protecting vulnerable groups and promoting ease of use. A simple system will facilitate greater uptake of the CDR, and deliver consumer benefits such as enhanced competition and product innovation. Consumer testing should therefore include a metric to measure useability of the CDR system design.

Recommendation 2: Governance

illion supports the proposition that annual reporting by the ACCC, the OAIC and the Data Standards Body should include data regarding the operation of the CDR with particular emphasis on privacy.

Recommendation 3: Consent Framework

The CDR Rules must facilitate a consent framework that ensures consent is genuine, and protects vulnerable consumers.

Consumer protections must, however, be balanced with ease of use of the CDR. If onerous and unnecessary processes are introduced that result in a system too convoluted for consumers to easily use, we believe there will be little uptake of the CDR in the Australian market which may render strong privacy measures largely redundant. For example, it is illion's view that consumers will be less likely to make use of the CDR if they are required to navigate multiple screens to share and access personal data. Similarly, account holders are less likely to provide their consent if joint account holders are required to separately log onto the system. Appropriate focus must therefore be given to ensuring the consent framework balances consumer protections with ease of use.

Recommendation 4: Data Security and Transfer Standards

Robust data security and transfer standards measures to promote consumer confidence in the CDR system are paramount. The need to ensure security is not at odds with the desire to promote competition and innovation, as consumers are typically more likely to make use of the CDR should they have full confidence in the protection of their personal data.

However, we believe the CDR Rules and Standards must remain straightforward for consumers to navigate, in order to ensure uptake.

Recommendation 5: Rule Making

illion is of the view that the ACCC and the Data Standards Body should work with the OAIC to ensure the Rules and Standards concerning privacy remain consistent across designated sectors. It should be noted that in practice, there is additional risk attached to the disclosure of different types of personal data. For example, heightened risk is associated with the inadvertent disclose of banking information over energy consumption data. We encourage the ACCC, the OAIC and the Data Standards Body to have fully consider these levels of risk, which may affect the consistency of privacy-related Rules and Standards.

Recommendation 6: Coordination

illion strongly encourages the continued coordination of activities between Treasury, the ACCC, the OAIC and the Data Standards Body throughout the development of the CDR regulatory framework, using information sharing arrangements and memoranda of understanding as required. With four organisations involved in the delivery of the CDR, proper coordination will remain central to ensuring full uptake of the system, higher standards and the delivery of consumer benefits via the CDR.

Recommendation 7: Consumer Education

When educating consumers on the CDR, focus should be given to the awareness of privacy risks and rights. However, we suggest that this focus must be appropriate and balanced with education regarding the benefits of the CDR, in order to encourage uptake and realise consumer benefits. The benefits of Open Banking should be positively and consistently highlighted to Australian consumers.

Recommendation 8: Post-implementation Assessment

illion agrees that the post-implementation assessment of Open Banking should be used to measure the privacy risks attached to the framework, using relevant metrics such as privacy related complaints and data breaches.

Recommendation 9: Further PIAs

We agree that any significant changes to the CDR legislation or Rules should be accompanied by further PIAs. Where there is a change that fundamentally introduces new considerations associated with privacy issues, a further PIA is appropriate. illion suggests that terms outlining the level of significance of future changes that would trigger a further PIA should be agreed to upfront, in order to minimise unnecessary assessments and reduce the level of uncertainty surrounding the framework.