**Insights**

Our view

* Frollo is supportive of the insights model and its aim to make CDR data more broadly useful for businesses with limited use cases to verify, deny or provide some simple information about identity, account balance, income and expenses.
* To accommodate many use cases, a more principles based approach is needed, we suggest expanding the definition of CDR Insights to include data based on analysis that includes contextual status, comparisons, financial targets or more, generally any derived data for the purpose of the consent.

Improvements

* The definition of CDR insights is narrow and doesn’t take into account derived data
* Once data is regarded as CDR Insight, the Draft Rules permit that data to be disclosed outside the CDR ecosystem through a consent. However, it would still be CDR Data in the hands of the relevant ADR. This means the ADR would still need to treat the CDR Insight as CDR Data (and any data derived from it as CDR Data, for example), whereas the recipient of an insight would not. This result, if intended, significantly reduces the useability of CDR Insights for ADRs (although they would still be very useful for non-ADRs). This is a more general problem with derived data that should be addressed. For example, if an ADR obtains consent to collect CDR data as input to a credit decision, the CDR rules would seem to dictate that data must be deleted once that credit decision has been made (notwithstanding a legal reason may require the CDR data to be kept). This means that the ADR will have no record of the basis on which it made a credit decision, cannot use the data as input to credit modelling, or as a basis if a complaint were later to arise.

**Joint accounts**

Our view

* Frollo supports the proposed changes to Joint Account data sharing under CDR

Why we support

* With over 12 Million Open Banking API calls we know the current ‘double opt-in’ model is prohibitive, confusing and needlessly complicated. We know that RAB also supports this view and have also worked for the last year to make CDR successful. Collectively we represented 100% of all live API calls until recently.
* The current process results in many people (even when both account holders are motivated to share) needing support and even giving up data sharing because it’s too hard
* The default approach suggested will bring the CDR experience on par with the bank’s digital platforms. With the added benefit that both account holders have complete visibility and control over the data that is shared.
* Without this very valid amendment, many use cases will have significant friction meaning it is easier to provide a pdf than consent through open banking. There are no restrictions in joint accounts today that restrict a partner downloading a pdf and using a traditional credit application process. Whilst we understand decisions should not be based on systems that have their own issues, consumers and many businesses rely on screen scraping methods. Without the change, it would be more difficult to migrate Australia away from screen scraping when so many depend on the services they provide with less friction and constraints.

Improvements

* It would be useful for a Data Recipient to know whether an account is a joint account or not currently that information is not shared with the Data Recipient
* This information would help with use cases for a range of consumer-centric services including Personal Finance Management, loan affordability assessment, and lending (Financial Passport), but also verifying account ownership.

**Trusted Advisor**

* Frollo supports the Trusted Advisor model
* The approach acknowledges the wider use and benefit to consumers that can be achieved by expanding the ecosystem.
* It recognises choices that should be able to be made by consumers.
* Some further thought is required to best address the need to identify the trusted advisor. We suggest that the customer journey is mapped out to ascertain when this would take place in the user flow. If the choice of TA lies with the consumer then the task is more difficult without a directory fit for purpose. If the DR provides an already vetted list, it is simpler but this may not suit consumers for the use cases envisaged.
* The proposed classification of Trusted Advisor may need to be made broader over time to cover all professionals that support consumers.
* More considerations should be given to what the obligations are of the TA to protect CDR data, what they can do with it and who the TA can share the data with.
* Trusted Advisor use cases require both one off and periodic consent types. Periodic consent, for example, would be required for wealth managers, financial advisors and financial counsellors who require an ongoing customer relationship where a one off consent would not suffice. The rules appear to allow this but explicit confirmation in the rules would be welcomed.

**COSP**

Our view

* Frollo believes that organisations who collect CDR data should be accredited

Why

* Under this model whilst the COSP is required to comply with security, standards and data privacy the liability for not complying rests with the CDR Principal. The additional capability of collection, requires the COSP to participate in the ecosystem where they have access to CDR data, information as to the performance of DH systems and generally far more information by virtue of having access to DH systems than a representative would have. This level of access should require accreditation. Will it be the COSP or the CDR Principal that raises Jira tickets for DH issues and provides the CDR Data for evidence when required? We understand that this model may suit a parent organisation with a subsidiary providing IT services but it extends to a far greater audience

**Representative**

Our view

* Frollo supports

Clarity

* Will there be any guidance on what should be included in Representative agreements? Or will this be completely up to each individual ADR to decide for themselves? We suggest some guidance is needed to set a minimum level across principals.
* Whilst risk can be appropriately managed by Principals through commercial arrangements with CDR Representatives, the proposed civil penalty provisions in the CDR Rules should not apply to a Principal in respect of the conduct of its CDR Representatives. While it is necessary for Principals to be liable to consumers in respect of the conduct of their CDR Representatives, the civil penalty regime should only punish a Principal for its own conduct (even where that conduct is a failure to adequately supervise its CDR Representatives). This would align this model with the authorised representative model utilised in financial services, where the licensee is fully responsible to clients, but only exposed to civil penalties and criminal offences for its own conduct.

**Affiliate**

Our view

* Frollo supports the Affiliate model as a way to lower the barriers to entry for CDR data usage

Why we support

* Since the unrestricted ADR is responsible for collecting the data there is a lower risk when only using the data. This should be reflected in the accreditation requirements.
* More generally the rules, in supporting new pathways for participation, should consider the different level of participation associated with collection and use of CDR data. Collecting CDR data inherently imparts details about the data holders that a participant who only uses CDR data would not be privy to.