



Consumer Data Right Division
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Quantium submission in support of proposed Consumer Data Right rules amendments (version 3)

Thank you for reviewing and considering our submission.

Quantium, headquartered in Sydney, employs over 900 people in 11 offices around the globe. We combine the best of human and artificial intelligence to power possibilities for individuals, organisations and society.

We are fortunate to work with blue chip organisations (service providers) from a wide range of sectors relevant to the CDR, including banking, insurance, loyalty schemes, health, education, energy and government. We provide our services and use data analytics ethically and with the highest regard for consumer privacy and data security. We understand the breadth of opportunities provided by data, and we are uniquely positioned to understand the impact of the proposed amendments on the industry and the benefits that may be realised by consumers from the proposed changes to the CDR Rules.

Quantium supports the amendments proposed by Treasury as further outlined below. The proposed amendments place more control and bargaining power in the hands of the consumers, allowing the consumer to benefit directly and materially from the use of their data.

Our support for the current draft introducing CDR representatives and affiliates

1. Accelerating the pace at which consumers can obtain benefits
 - a. The proposed amendments provide the consumer with a direct material benefit because they allow the consumer to derive direct financial value from their personal data, they would not be able to gain today. There are a number of service providers who would like to provide new forms of benefits to consumers but are not yet sure of the viability of these benefits. They are not willing to go through the process of becoming an ADR until the viability of these benefits are proven. These organisations however, would be comfortable becoming CDR representatives or affiliates when the proposed regulations come into effect.
 - b. Under the current proposal, the direct financial value referred to above, may take the form of significant discounts, lower interest rates, lower payments or free services the consumer would not have been entitled to without the ability for the CDR representative or affiliate to evaluate the consumer's CDR data.
2. Increased uptake of full ADR accreditation across a wider spectrum of service providers
 - a. We further support these amendments because they ease the path to full accreditation for many service providers. Once CDR representatives and affiliates are able to see proven returns and value in deeper consumer engagement, there will be a clear business case for the increased cost and effort for achieving full accreditation.
 - b. There are a number of service providers that would be prepared to offer direct material benefits if they had better insights into their customer base. Inability to use CDR data to understand

their customers prevents the service providers from passing through the savings which are instead spent on an increased “margin of error” in business cases.

- c. Lower barriers to participation allow a greater range of propositions to be offered to consumers where the return to the provider may not be immediately calculable. This makes seeking full accreditation an expensive and risky business case. The proposed changes allow for more agile testing of ideas, lower the risk of proving new concepts and allow for more experimentation by the service providers. However, a positive consumer response to the offers will prove the long-term value of full accreditation and participation in the system, and will also provide consumers with more agency to vote “with their feet” and shape the breadth of offers through consumer interest and adoption, for example:
 - i. more opportunity for a “build it and they will come” / test-and-learn approach. Customers are the best judges of value;
 - ii. In our experience any short-term opportunities for businesses that don’t support consumers and provide consumers with continued value tend to be short lived.

We support initiatives that help to qualify, enhance and maintain propositions for long-term consumer benefit.

Our support for the current draft introducing proposed CDR insight definitions

3. Consumers retain control of the use of their data
 - a. Each consumer determines when and what data they disclose and to whom. A consumer may be comfortable sharing their data with one service provider and not another, for one service but not another, the choice is always theirs. A consumer can only benefit in this arrangement. If a consumer chooses not to provide consent for use of their CDR data, and only consume the “generally” available offer which would be priced at an “all Australia” representative basis they are in the same position they would have been had the changes to the rules not occurred.
4. Quantum supports the additional proposed CDR insight definition and mechanic added to this current draft and we would also like to propose that the use of CDR insights beyond purposes of verification is considered by the Treasury.
 - a. Given that consumers can choose to provide records of income and expenses in hard-copy form for further use beyond verification, consumers should be permitted to allow the same extent of use of their data, but without having the undue burden of having to do so manually when the process can be performed electronically. The system should ultimately empower the consumer to use their data for their maximum material benefit, and in the most efficient way, as they would be able to use their personal data if those records were in hard-copy.

The goals of the CDR system are referenced below, and in our opinion the proposed changes further the stated goals and impart considerable material benefits directly to Australian consumers.

The goals of the CDR system as stated in the Explanatory Memorandum of 2019 (Outline of chapter):

- 1.3 *“The primary aim of the CDR is to give consumers the ability to access and use more information about themselves, and about their use of goods and services, in a manner that allows them to make more informed decisions about both themselves and the good and services they use. By doing so, the CDR aims to increase competition, enable consumers to fairly harvest the value of their data, and enhance consumer welfare “*
- 1.4 *“...better tailoring of services to customers and greater mobility of customers as they find products more suited to their needs.”*
- 1.5 *“Consumers will be the decision makers in the CDR system and will be able to direct where their data goes in order to obtain the most value from it.”*