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Strategic Assessment Team  
Consumer Data Right Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600

Classification Public

Via email to [data@treasury.gov.au](mailto:data@treasury.gov.au)

## **Re: Cuscal response to the Consultation paper on Implementation of an economy wide CDR strategic assessment**

Cuscal Limited (Cuscal) appreciates the opportunity to respond to the above consultation paper issued by the Treasury.

### **Background to Cuscal**

For over 40 years, Cuscal has leveraged our assets, licensing, and connectivity to provide intermediary and principal outsourcing activities on behalf of our clients. We are an end-to-end payments specialist that services more than 100 established and challenger brand clients within Australia's financial system, including the majority of the mutual banking sector, and a growing number of FinTech and 'PayTech' enterprises. We enable their market connectivity so they may provide innovative products, business models, and drive improved customer outcomes.

We are an Authorised Deposit-taking Institution (ADI), the holder of an Australian Financial Services Licence, and an Australian Credit Licence for Securitisation purposes. Cuscal has Board representation with eftpos, NPPA, Australian Payments Network and participates in numerous industry committees. We are also the founder of 86400 ([www.86400.com.au](http://www.86400.com.au)), a fully licenced mobile-led digitized bank, recently acquired by National Australia Bank.

The services that we provide to our client institutions include card scheme sponsorship for issuing and acquiring, payment card issuing, card production services, digital banking applications, and access to domestic payment services using direct entry, BPAY and the New Payments Platform (NPP). We also act as settlement agent for many of our clients through our Exchange Settlement Account with the Reserve Bank of Australia (RBA).

As a fully PCI-DSS accredited ADI, Cuscal is uniquely placed to provide secure and robust capabilities that facilitate access to markets that would otherwise be beyond the reach of some organisations.

### **Cuscal Role in Open Banking**

To help our clients benefit from the CDR, while minimising their cost and risks, Cuscal is investing in a Collaborative Data Exchange. This technology platform will position Cuscal as a CDR Intermediary that helps each of the three CDR participants get the most out of the CDR:

- ❑ Data Holders can manage compliance effectively.
- ❑ Consumers can share their banking data with best-practice simplicity, while remaining in control over the data they consent to share via their bank.
- ❑ Data Recipients can create better digital services, enabled by the data that consumers consent to share, but minimising the time, cost, and risk of doing it themselves.





For further information on Cuscal and our services please refer to our website at [www.cuscalpayments.com.au](http://www.cuscalpayments.com.au).

By exception, our responses in this submission have been structured in line with the consultation questions raised in the strategic assessment paper.

**Question 1:** Are there examples of uses cases of particular life events or key consumer activities where access to consumer data within or across sectors could significantly improve consumer experience and outcomes? If so, how should such use cases be prioritised?

Although Australia is a safe and highly regulated nation, a good deal of consumer frustration and impact stems from bad and poorly informed decisions. Cuscal believes there is an inverse correlation between the time and effort a Consumer must commit in getting a service, and the time and effort spent deciding whether the service is ideal for the consumer. Therefore, Cuscal thinks the use-cases that remove mental and physical effort from applying for, and consuming, services should be prioritised.

Cuscal's internal discussions and engagements with clients have highlighted certain areas which will support uplifting the current consumer experience as a result of CDR implementation. However, to achieve an enhanced consumer experience the use cases rely on finalization of the action initiation framework and the underlying rules and standards. Cuscal views the following regular use cases to mobilize across the economy as the various sectors turn functional and consumer awareness of CDR is established.

- ❑ Completion of application forms (e.g.: rental agreements, loan applications, signing up insurance products, gym operators).
- ❑ Switching of services from one product provider to another (utilities, insurance, mortgage, credit cards, bank accounts).
- ❑ Registrations with organizations to provide budgeting tools such as finance management, non-bank lending facility.
- ❑ Student registration and application forms in the education sector.

**Question 3:** What are the top consumer issues that improved access to consumer and product data could help with? In other words, what are some of the significant or innovative use cases in an economy-wide CDR? Why are they important? For example, are there use cases which would improve the welfare of, or ability to access services and improve participation by vulnerable or disadvantaged consumers?

The most significant benefit can be realized by easing the process involved when switching products and services between providers. We believe product data when combined with specific consumer data will help to tailor products that will meet defined consumer requirements. Consumers will start to see benefits such as ease of doing business, cost savings, better value for money spent, time savings, having control of their data and ability to trade for better products and services. The identification and prioritization of datasets should consider areas of high traffic and basic individual needs such as shopping for new products, renting an apartment, building etc.

**Question 5:** Would prioritising access to a particular sector or dataset facilitate faster adoption or improve efficiency of expansion of the CDR? Are there sectors where significant data sharing is already occurring? If so, would applying the CDR improve this or provide additional benefits such as greater standardisation?

Currently parents struggle to find the best schools for their children, and in higher education, a third of students fail to complete degrees. Therefore, designating state and private education would benefit parent and students. Data sets like academic, attendance, or health records could be standardised and shared. Actions like enrolment and notifying state Government could be considered.

Similarly, designating the Aged-Care Industry for data-sharing "product reference data" and appropriate actions would greatly help people achieve better outcomes when interacting with such industries during critical life changing decisions.





**Question 7:** Is the CDR the appropriate path to support these various potential use cases, or are there are other solutions available?

The current CDR is a powerful mechanism for these potential use cases. However, the CDR consent flow is designed for all use-cases, and to satisfy all stakeholders, and is therefore optimised for none. Cuscal has been experimenting with “purpose based” consents that would work for bundled sharing/Actions/payments and other use cases.

Where applicable CDR must be used for data sharing practises given the nature of regulations it is guarded by and the trust that consumers will develop overtime. Any other viable solutions will either need to meet the level of security that CDR provides or a higher standards of safety measures. As such Cuscal believes that unsecure services such as screen scraping will be deemed as non-compliant in the future to ensure consumer security is paramount with respect to sharing data across the economy.

**Question 9:** Which sector market’s efficiency could be improved by making consumer and product data readily transferable to other providers? Are there sectors where there is currently a high transaction cost to release and disperse this data that the CDR could address?

The CDR’s data standards, sharing and product reference data will reduce transaction costs, and make Consumer lives easier in most industries.

Refer to response in Q5.

**Question 10:** Are there other steps we could take to strengthen or develop the CDR regime to enhance the economy-wide roll-out?

The Consumer experience is optimised for Data Holders. Regular reviews to make the Consent flow more useful and usable for Consumers and Data Recipients will benefit all industries. In particular, the Consent flow in its current form does not allow Data recipients to apply business logic that would help communicate with Consumer who, for example, had elected to not share a critical data cluster. Additionally, the Consumer Data Right is only as good as the data disclosed by Data Holders. Without measuring and enforcing data quality on Data Holders, Data Recipients will remain reluctant to invest in this regulated data marketplace.

The current implementation in Banking sector has showcased that a delicate and well-rounded approach is required to ensure the final solution meets consumer demands and expectations. Considering this Cuscal believes the following activities should be considered as part of the strategic assessment and rollout:

- ❑ Sectors that have cohesion should be considered as part of an integrated approach. For e.g., utilities such as energy and telecommunications and retail, digital platforms.
- ❑ The action initiation framework should be implemented first to ensure consumers can benefit from a holistic approach rather than fragmented with respect to boundaries within CDR.
- ❑ Sharing of product reference data that is readily available can be released in other sectors while the ecosystem is embedding banking, energy, telecommunications, and action initiation.
- ❑ Implementation of some of the general use cases would help consumers see the benefit of open banking and assist in educating them and developing the trust in the ecosystem.
- ❑ Cuscal believes, that where the datasets are similar, multiple sectors could be released at the same time with respect to product data.
- ❑ Sectors that have a high digital presence would be simpler to embed as consumers are already utilizing technology and will readily engage with i.e., the retail sector.
- ❑ Sectors with high traffic and considerable touch points should be considered first to improve consumer uptake. For e.g., retail, education.
- ❑ The embedding of Banking sector followed by energy and telecommunications would enable increased consumer uptake and build the trust within the ecosystem. This is very critical prior to approaching sectors such as Health where more sensitive data is involved to help overcome barriers.
- ❑ A phased rollout will be beneficial similar to banking sector where the implementation was mandated for major banks and the non-major banks had sufficient lead time to comply with the regulations. Such phased approach will also ensure that any learnings in specific sector related scenarios are well understood during the initial implementation phase.





- ❑ A communication strategy should be developed with input from industry to engage consumers and raise awareness on consumer data right and its applications.
- ❑ A forward-looking implementation plan should be shared with industry and regular updates provided on the progress via Treasury engagement forums.

In closing we trust our responses will provide Treasury with insights on services and areas that Cuscal considers would help consumer data right transform the way consumers engage with their businesses.

If we can be of any further assistance in the interim, please feel free to contact me at [kmckenna@cuscal.com.au](mailto:kmckenna@cuscal.com.au) or (02) 8299 9000.

Yours sincerely,

**Kieran McKenna**  
Chief Risk Officer

