



12 April 2022

Sectoral Assessments
Consumer Data Right Division
The Treasury
Langton Crescent
PARKES, ACT, Australia 2600

Dear Sir / Madam

Consumer Data Right (CDR) Open Finance Sectoral Assessment

The premise for this assessment is to provide feedback on the proposal to expand the Consumer Data Right (CDR) to non-bank lending.

A growing and economically critical segment of the non-banking lending sector is increasing the number of lenders providing finance to small and medium businesses (SMEs). SMEs are the backbone of the Australian economy, providing the majority of the employment and driving growth and productivity. However, they do not receive the funding they need to realize their full potential, resulting in missed economic opportunities. We therefore think it is critical that three key outcomes the evolution of the CDR framework should aim to deliver (with the inclusion of non-bank lenders part of this):

- 1) A step change in competition within the SME lender space
 - a. reduced barriers to switching / streamlined application processes
- 2) Material progress in unlocking data driven lending
- 3) The inclusion of commercial brokers as key advisors to SMEs when sourcing business finance given they now support c45-50% of all SME lending (in the same way mortgage brokers have now been considered in CDR framework for personal lending)

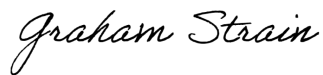
To achieve these outcomes, we recommend consideration is given to the type of customer data held by some of the non-bank lenders that are active in providing SME business finance. For example, the Fintech Australia submission in September 2021 suggested accounting platforms as a sector for consideration to include in the CDR framework. The submission focused on the opportunity to improve accessibility to data for tax returns and grants but didn't recognise that many of the players in this industry have also become non-bank lenders and/or lending marketplaces. Further, helping business owners more easily and safely share their accounting data (as well as the specifics of the loans they hold with these lenders) can help achieve all three outcomes above.

Access to bank data is helping to drive innovation, reducing barriers to switching and streamlining application processes. In this proposed use case, business customers consent to sharing their accounting data with their advisors/commercial brokers and other lenders under the CDR framework can have a similar impact and enable more data driven SME lending.

The other core financial data that would help unlock SME lending is tax data held by the Government (ATO tax debt, ATO notices of assessment, tax returns, tax statement of accounts and BAS returns). This would help streamline the application process with both bank and non-bank lenders.

In conclusion, Citoplus thanks the Treasury for the opportunity to provide feedback on the strategic direction of the CDR. We think the inclusion of non-bank lenders in the CDR framework and the ability for customers to control the sharing of all the appropriate data they want to that is held by non-bank lenders and the Government via the CDR can have broad benefits for consumers/businesses and the economy more broadly. We would be happy to discuss other use cases like the examples above if of interest.

Yours sincerely,

A handwritten signature in cursive script that reads "Graham Strain".

Graham Strain
Co-founder
CitoPlus Holdings Pty Ltd