



**Consumer Data Right Sectoral
Assessment for the Open
Finance Sector:
Non-Bank Lending**

Submission from Finder
April 2022

Finder welcomes the opportunity to respond to the Consumer Data Right (CDR) Sectoral Assessment for the Open Finance sector, focusing on non-bank lending. Finder continues to be very supportive of the CDR, which we believe will empower Australians to take control of their personal data and use this information to make better financial decisions. In this submission we have focused on the areas we believe we can add the most value, based on the consultations we have been involved in to date.

About Us

[Finder.com.au](https://finder.com.au) (“Finder”, “we”) is an Australian founded and owned global fintech. One of our key products is our free comparison site, which has more than two million visits per month. We compare over 50 product categories, including credit cards, home loans, savings accounts, personal loans and insurance products. Pertinent to this inquiry, we also compare non-bank home and personal loan lenders. Our purpose is to help people make better decisions, and our guides, calculators and comparison tables enable better decision making across a range of complex products and services.

Key datasets

Releasing the approval criteria on which a consumer is being judged against for non-bank lending would significantly support consumers in making better financial decisions. This dataset would increase understanding around the benchmarks behind approval, resulting in more informed decisions prior to applying. This could prevent consumers from applying for products that they likely won't be approved for, which in turn could devalue their credit score. Credit score is important to consumers, particularly for their future prospects of applying for other products.

Transparency around risk-based pricing data would also be of value. There can be a significant range in the percentage of interest that is applied to a loan (in some cases from 4.99-22.99%), and consumers are not aware of which rate will be applied to them (based on their risk rating) until after they've applied. It would be beneficial for consumers to understand what criteria results in a higher interest rate, so they can decide in advance whether that interest rate works for them and if they wish to apply or not.

Finder research shows the average personal loan holder is carrying nearly \$7,890 in personal loan debt. The data also found that around 30% of people don't think they're getting good value for money on their personal loans, with a further 11% not knowing whether they're getting good value for money or not, so there is an imperative to increase the transparency in these areas.

Use case

With the above datasets more readily available, Finder could bolster its 'Chance of Approval' feature. This feature allows Finder to guide consumers on whether it is likely for them to gain approval for a specific product. If Finder had access to the approval data and risk-based pricing data, we could use the insights to support consumers in narrowing down their choices when comparing non-bank lending products.

We would like to thank the CDR team for providing the opportunity to respond to this important consultation process, and we would be pleased to discuss our submission further at any time.

Questions?

Contact the Finder public affairs team at publicaffairs@finder.com