

The top half of the page features a complex network visualization. It consists of numerous small nodes connected by thin lines, forming a dense, circular structure. The nodes are colored in shades of cyan, blue, and red. A large, solid black circle is overlaid on the right side of the network, containing the white text 'EML.'. The background is black, making the network and the logo stand out.

**EML.**

**EML Payments Submission to the Statutory Review of the  
Consumer Data Right**

20<sup>th</sup> May 2022

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Lodged by email: CDRstatutoryreview@treasury.gov.au

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EML Payments Ltd (EML) has read the materials in the Treasury's announcement of March 2022 relating to the statutory review of the Consumer Data Right by Ms Elizabeth Kelly PSM

EML has structured this submission with a summary of our place in the market, an introductory note, and then answers to the specific questions raised in the terms of reference.

## 1. About EML

EML (ASX: EML) is a home-grown Australian success story, founded in Brisbane, Australia in 2003, and now operating proprietary platforms to enable banks, corporates, governments, non-government organisations (NGO), independent software vendors, merchants and fintech's in 28 countries to create awesome experiences for their customers.

Within Australia, EML provides payment services to government, fintechs and private industry. EML has a 90% market share in enabling salary packaging card spending, as well as significant market presence in enabling non-bank digital lending disbursement and government disbursements for stimulus and other disaster relief.

EML constantly invests in its platform, whether by building products ourselves, partnering with industry leaders, or acquiring best-in-breed companies. Our platform is modern, configurable, and offers a full suite of integrated solutions.

In April 2021 EML acquired Sentenial Group and its Nuapay Open Banking platform, . Nuapay is a leading Open Banking business serving business clients with innovative open banking & account-2-account solutions across United Kingdom and Europe. EML intends to extend this platform into other regions such as Australia, as regulatory and industry changes makes open banking payment solutions viable.



## 2. Introductory Note

EML welcomes the ongoing consultation process and opportunities to shape the evolution of the CDR regime. Our assessment is that the CDR data collection approach is broadly fit for purpose and is appropriate for managing banking data.

As one of the largest B2B card payments providers in Australia, EML encounters quite a lot of interest from fintechs, lenders, non-banks & government for CDR/Open Banking, with a majority of open banking use cases requiring a facilitation of a real time payment from a bank account(Action-Initiation + NPP).

EML also believes education is critical to the adoption & application of CDR. EML would be in favor of the government providing incentives or grants to encourage adoption by fintechs and to help stimulate the creation of innovative use cases.

## 3. Responses to Questions

### **Question 1: Are the objects of Part IVD of the Act fit-for-purpose and optimally aligned to facilitate economy-wide expansion of the CDR?**

EML believes that fast tracking Action-Initiation is key to drive adoption. Accordingly, the delays in action-initiation will continue to hold back the adoption of CDR – Open Banking..

In the UK where the regulated initiated Open Banking regime was introduced several years ahead of the Australian market, adoption has only really started to ramp after the introduction of Payment Initiation (PISP). Payment Initiation went live in 2018 and was functioning in it's current capacity by early 2020.



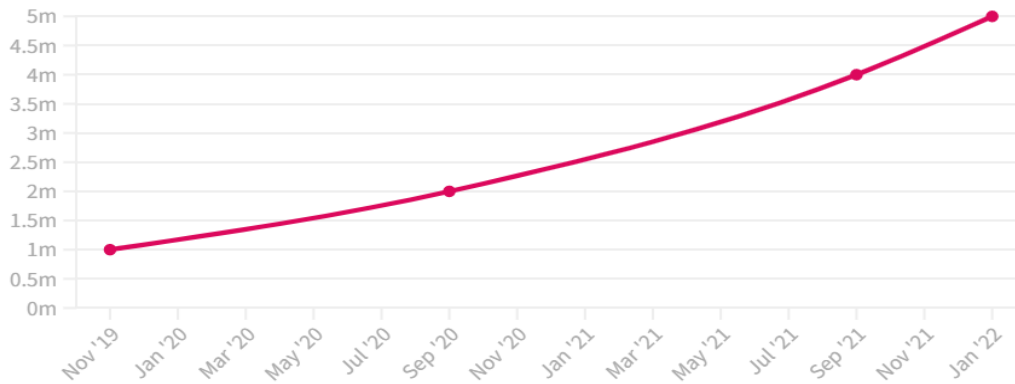
Exhibit A: UK open banking usage, January 2022. Source: Sifted & OBIE

## The 5m user milestone

Active users of open banking services in the UK, in millions



Number of users



Source: [OBIE](#)

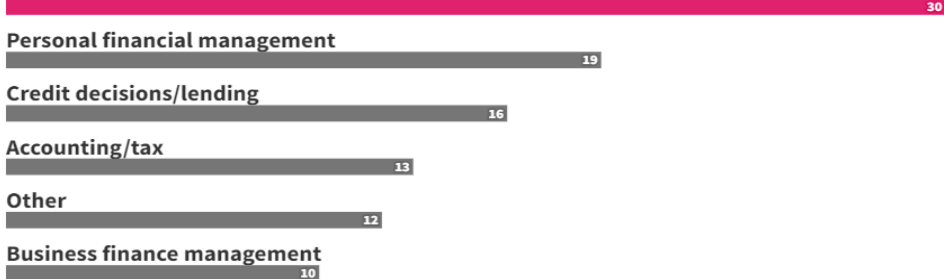
Exhibit B: UK open banking propositions, Source: Sifted & McKinsey

## Payments are boosting open banking adoption



Number of open banking propositions created by fintechs and non-bank players in the UK

Payments

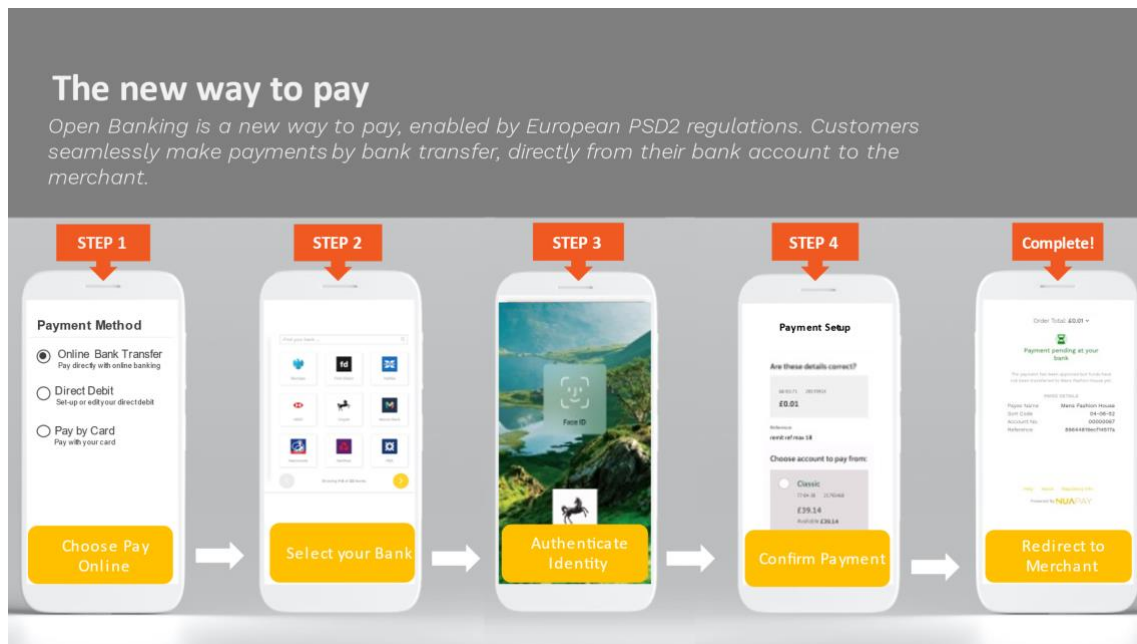


Source: [McKinsey](#)



EML with the learnings from Nuapay believes the enhancement of app-to-app capability, significantly enhances the C2B user experience, allowing users to seamlessly move from the merchant app to the banking app and back again with minimal effort from the consumer. EML strongly recommends the inclusion of a similar mandate in the Australian CDR standards.

### Exhibit C: Nuapay UK App-to-App User Experience



### Question 2: Do the existing assessment, designation, rule-making and standard-setting requirements of the CDR framework support future implementation of the CDR, including to government-held datasets?

On the learnings from our experience in the UK & EU regions, EML would recommend that the following areas are considered in regulating (if they are not already mandated):

- a) that all banks undergo a mandatory compliance test to ensure the bank's APIs adhere to a common standard, thereby reducing the complexity and cost of ADR's integration with CDR APIs.
- b) In relation to EML's recommendation on app-to-app standards (refer to answer to question #1): Consumer's Open Banking user journeys are managed from within their bank's mobile app, using app to app (or deep linking) technology, thereby ensuring a



smooth and frictionless user experience where users authenticate themselves on smart devices using biometric authentication methods.

**Question 3: Does the current operation of the statutory settings enable the development of CDR-powered products and services to benefit consumers?**

EML's experience in the UK & Europe is that open banking has provided significant benefits to both consumers and merchants, enabling new use cases, greater efficiencies and more seamless consumer control of payment flows and financial services. EML believes the CDR framework will enable similar benefits in the Australian market.

**Question 4: Could the CDR statutory framework be revised to facilitate direct to consumer data sharing opportunities and address potential risks?**

Data sharing should be delivered in a common machine readable format that can be easily and simply translated into human readable form through the use of a common generic processor.

**Question 5: Are further statutory changes required to support the policy aims of CDR and the delivery of its functions?**

Consideration should also be made to the introduction of an intermediary regulatory license that sits between the requirements of AFSL vs (R)ADI (similar to the e-money license in UK); we know this is not specifically requested in this paper however this is an important ingredient to encouraging safe & economically advantageous competition from new entrants.