



Wednesday 25th October 2023

Consumer Data Right Policy & Engagement Branch
Market Conduct & Digital Division
The Treasury
By email: data@treasury.gov.au

The NCPA is pleased to provide some comments in response to the request from Treasury for views on options for regulating screen scraping practices, *Screen Scraping – policy and regulatory implications 2023*.

The National Credit Providers Association (NCPA) is the national peak body which represents the Small Amount Consumer Lending Industry in Australia. The industry comprises small to medium businesses who provide small and medium amount credit loans to consumers and provide credit options for the 3 million financially excluded Australians who are unable or choose not to access credit from big bank lenders. The NCPA also represents some credit reporting agencies and other providers of services to the industry.

NCPA members rely on the application of screen scraping technology, which remains an important tool to capture digital data in the assessment of consumer credit applications, and for payments for the consumer credit sector. The inevitable transition to Consumer Data Right (CDR) must be managed in a way that doesn't prevent providers of consumer credit from continuing to provide access to credit to the most financially excluded Australians by bringing a sudden end to one technology, before the sector is properly prepared for a more secure and effective financial services system.

The transition from screen scraping to CDR, which is quite complex technology, must be managed in a way that doesn't detriment smaller lenders, but rather provides for an orderly transition from one technology to another.

Data collected by screen scraping is used for two key purposes. Know your customer (KYC) verification, an obligation under the Anti-Money Laundering and Counter-Terrorism Financing Act (AML/CTF) and affordability & suitability assessments, as required under the National Consumer Credit Protection Act (NCCP). Screen scraping is used to collect information from banks and credit unions, as well as from MyGov.

Members report there are issues with the timeliness of availability of data and quality of data from banks and credit unions however, screen scraping remains a vital technology without which would significantly disadvantage borrowers seeking access to consumer credit from non-mainstream lenders.

Members are cognisant that overtime, the CDR will be compatible with screen scraping, however, notes that these current quality control issues must be addressed. Screen scraping should only be phased out once the CDR data quality and platform reliability improves and the CDR adoption rate reaches a critical mass. The NCPA believes the transition process is likely to be 24-36 months away.

Please don't hesitate to contact me if you have any questions.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Michael Rudd', written in a cursive style.

Michael Rudd
Chairman