
Consumer Data Right Policy and Engagement Branch
Market Conduct and Digital Division
The Treasury
Langton Crescent
PARKES ACT 2600

RE: Screen Scraping – policy and regulatory implications

To The Consumer Data Right Policy and Engagement Branch – Treasury,

I am writing to you in response to the Discussion Paper for Screen Scraping released in August 2023. We have decided to refrain from answering the specific questions raised. Instead we want to provide some information and context that seems not to be a part of the conversation in the highest levels of government.

I would welcome an opportunity to engage further as opportunities arise.

We look forward to hearing from you in due course.

Yours sincerely,

David Johnson
CEO – TaleFin

Who is TaleFin?

TaleFin is committed to openness and transparency when dealing with credit and financial information. We believe that a fully informed consumer is one that understand how to utilise credit to their best advantage, creating better outcomes for everyone – irrespective of their role in the finance industry.

The values and intent of TaleFin are very much aligned with the values and intent of CDR, in terms of openness and transparency of information for the benefit of the consumer. Several of the principles that TaleFin adopt have been inspired by CDR and Open Banking concepts.

TaleFin is well qualified to become an accredited data recipient however, the prohibitive costs associated with CDR and the significant functional deficiencies

has prompted reluctance by our customers to implement and apply CDR data and processes.

From a TaleFin perspective, CDR is an unviable alternative to our existing screen scraping products.

Context that seems to have been lost.

The fact that this issue has been raised again after such a short period of time calls into question the legitimacy of the claims in the discussion paper. It heavily focussed on the same lobbying efforts that have been influencing policy direction on this for some years now.

In 2020 both ASIC and ACCC indicated that they had no issue with the practice of screen scraping (<https://www.fintechbusiness.com/data/1684-asic-accc-give-screen-scraping-go-ahead>).

ASIC updated the responsible lending guidelines RG 209 to reinforce that position and advised “that screen scraping and digital data capture can provide access to information to be utilised as part of a responsible lending assessment process”

At the same time Basiq, one of the loudest voices opposed to screen scraping advised the community that “there is little difference between using APIs as opposed to direct data capture methods. Both encrypt traffic over a HTTPS connection, and both require an exchange of information for a token to complete the authentication process (login/pass vs API key) – meaning they are almost identical in nature.”

(https://www.basiq.io/blog/asic_accc_screen_scraping_is_a_valid_method_of_data-sharing/)

Further, the original intent of CDR as described by Scott Farrell who led the 2020 Inquiry into CDR advised:

- Open Banking should be customer focussed. It should be for the customer, be about the customer, and be seen from the customer’s perspective.
 - *It’s not. The only voice that seems to have been heard is that of the Data Holder. The consumer is a distant second, and all other participants have little option but to tag along.*
- Open Banking should encourage competition. It should be done to increase competition for the banking products and services available to customers so that customers can make better choices.



- *It doesn't. The rules undermine competition particularly in relation to consent management. And this discussion paper seeks only to further reduce competition.*
- Open Banking should create opportunities. It should provide a framework on which new ideas and business can emerge and grow, establishing a vibrant and creative data industry.
 - *It doesn't. Pointless regulations and inability to achieve the above ensures this.*
- Open Banking should be efficient and fair. It should be effective with security and privacy in mind, so that it is sustainable and fair, without being more complex or costly than needed.
 - *It's not. CDR is complex and costly. Consent processes ensure that CDR is inefficient and slow.*

On every front in the above CDR has failed. Further it seems that the government through its current posturing and through this discussion paper is determined to ensure that competition is reduced, that consumers must work through complex consent procedures, and that data quality is not essential when making financial decisions.

Why is this important?

TaleFin is very supportive of the purpose and principles of CDR and believe that some of them should be applied more widely across a variety of industries and sectors.

Unfortunately, the implementation of CDR has been too heavily influenced by special interest groups generating so much friction for consumers and for potential users of the data that it is a failure.

Failing to address the core issues that have now been embedded into the system will merely continue to ensure that CDR will only service a select few, and non-mainstream sectors.

Limitations of CDR?

A few of the many issues with CDR are outlined below:

- Account owner information not included with the CDR data which will ultimately increase the instance of fraud and decrease the ability for data users to achieve KYC obligations.
- Friction generated by banks seeking additional layers of consent.

- Most, if not all banks have an additional layer of friction by seeking consent directly with the consumer.
- This is in spite the heavy compliance obligations and enforceable requirements of Accredited Data Recipients.
- The result adds friction to the consumer and creates a conversion drop-off rate for data recipients that make CDR uncompetitive.
- Official eStatements are often required as proof of ownership of accounts.
 - Many banks and credit providers require official bank eStatements to support responsible lending obligations.
 - CDR does not facilitate this or allow it to be automated.
- Complexity of sharing the data with third parties
 - The third-party data sharing models are unnecessarily complicated.
 - CDR compliance requirements above and beyond the existing obligations of many industries creates too many additional costs, reducing the opportunity for new competition.
 - Rules around derived information from the CDR data should be lessened to facilitate various advantages to the consumer and commercial interests.
- Consent for Business accounts
 - At this stage there is no way to accommodate business banking accounts through the same CDR framework.
- The costs associated with becoming an accredited data recipient are prohibitive.
 - Some are absolutely necessary – particularly in relation to Information Security, but others are simply excessive and produce little to no benefit.

The best way to supersede scraping?

Other jurisdictions that forcibly removed scraping has resulted in significant data, process, and compliance problems. Banning screen scraping “*where the CDR is a viable alternative*” will now impact on our business, because currently TaleFin’s customers do not view CDR as a viable alternative for scraping.

We believe the only way to replace the present screen scraping processes is by looking at the use-cases of screen scraping, and providing the same data and results without adding additional layers of process, performance, and data quality issues.



What should we do in the meantime?

We are strong believers in information security – an imperative as a recognised and fully functional Consumer Credit Referencing business. TaleFin is ISO-27001 certified – information security remains central to all our activities across the business.

Applying the same information security standards on the screen scraping industry as applies to CDR accredited data recipients is a reasonable regulatory step.

TaleFin are strong supporters of CDR. However, CDR must function and provide a viable (or superior) alternative to existing screen scraping capabilities. Users of Bank statement screen scraping deliverables are now reliant on a standard of functionality and capability. If forced to adopt a deficient alternative, the impact on risk-based financial decisions will have a profound and detrimental impact on businesses generally.

Simply, CDR must be equal – or preferably superior to existing products to ensure strong and rapid market adoption.

What can scraping do that CDR currently can't?

Some of the features that scraping can provide, that CDR currently cannot:

1. It can provide a simple consent model for the consumer to provide data to the data user.
2. It can be performed using a reasonable compliance framework with the privacy of the consumer at the centre of the process.
3. It can aggregate data sources that are not part of CDR, such as government websites and other unregulated financial services products.
4. It ensures that the data and the data quality is at a standard that is suitable for the consumer and is compliant with consumer regulations.
5. It avoids complexity that has been generated around joint accounts and business.

Is scraping perfect? – No its not, but it is still a far better solution that the one being presented through the current CDR regime.

If the government continues down this current path, it will simply continue to diminish competition, it will continue to ignore the needs of the consumer and it will continue to pander to the needs of a few special interest groups.