



**Verifier Submission
3 September 2024**

CDR rules: consent and operational enhancement amendments Consultation Paper

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Verifier Australia Pty Ltd

Submission on: *CDR rules: consent and operational enhancement amendments Consultation Paper August 2024*

About Verifier

Verifier is a Privacy by Design data business, a RegTech firm and an Accredited Data Recipient, whose mission is to give consumers access to their data to deliver them better outcomes. Our work is focused on digital solutions for Responsible Lending.

Purpose of Verifier's submission

Verifier welcomes the opportunity to provide comments on the CDR rules: consent and operational enhancement amendments Consultation Paper (the **Consultation Paper**). The purpose of our submission is to express support for the majority of the proposals in the Consultation Paper – which, in our view, will improve CDR participation rates and assist CDR to achieve its policy goals.

Verifier's response to consultation questions

Consent Review

Yes, we support the proposed changes set out in sections 1.1 to 1.6, and section 1.8 of the Consultation Paper. Our view is that the proposals strike the right balance between cognitive load and informed consent.

However, we do **not** support the proposed change set out in section 1.7 of the Consultation Paper - which would require deletion by default of redundant data, unless a consumer has given a de-identification consent.

In contrast, our view is that de-identification of redundant data should be a permitted default position – without the need to obtain a de-identification consent.

There are 3 key reasons to support our position:

1. **Quality of service provision** – Accredited Data Recipients can improve their services by observing patterns in de-identified data. In our



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experience, 2 out of 3 consumers will always select the default option. If deletion is the default position, that limits de-identified data that is available for service improvement to the data of 1 out of 3 consumers. This will erode the value of CDR by inhibiting innovation and service improvements – which will in turn adversely impact CDR participation rates and the achievement of CDR policy goals.

2. **Competition** – having limited de-identified data will create a barrier to entry for new Accredited Data Recipients, because there is no CDR level training data sets available to new entrants. Having no access to actual CDR test data means that the only way forward is to use ‘live’ CDR data. This is possible if an Accredited Data Recipient obtains a use consent to use identified data to improve its services.

However, consumer opt-in to permit such use is not guaranteed. A default position that permits Accredited Data Recipients to de-identify redundant data would overcome this constraint.

3. **Consent to de-identify** – it seems odd to us that de-identification of redundant data requires consent, but a consent is not required for deletion of redundant data. Both methods involve a handling of data (a “use”?) to achieve an outcome.

Our view is that most consumers don’t understand what de-identification is, and asking for a consumer to consent to that process doesn’t advance their understanding.

Verifier’s recommendation

To achieve the optimal outcome for consumers and participants in the CDR regime, we recommend that the CDR rules be amended to **permit** Accredited Data Recipients to **either** delete or de-identify redundant data (without a specific de-identification consent).

If Accredited Data Recipients choose to de-identify redundant data, they should be required to give consumers information about how they de-identify data, and what uses they will make of de-identified data.

Please contact me on lisa.schutz@verifier.me if you would like to discuss any aspect of this submission.

Sincerely
Lisa Schutz, CEO
Verifier Australia Pty Ltd