

Consumer Data Right Rules - Non-Bank Lenders and Banking Data Scope

Stryd Response

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To whom it may concern,

We welcome and appreciate the opportunity to comment on the proposed Consumer Data Right non-bank lender and banking data scope proposals.

Our parent company is Moneycatcha Ltd, which owns and operates our Stryd product. The Stryd product leverages Product Reference Data (PRD) as well as consumer account and transaction data for residential home loans.

Stryd provides a service for our broker/aggregator customers to identify the most competitive residential home loan product and pricing offers available in the market for their customers. The two key use cases relate to helping our customers with trail book management as well as assisting them with lead qualification. The main aim is to assist their customers (i.e. consumers) find the most competitive and relevant offers possible for their home loans to assist with alleviating rising living costs, one of the biggest is home loan repayments.

A key component of our technology that gives us an ability to identify offers is our Stryd Product Repository (SPR) which has been built using product reference data. The current focus is residential home loan product reference data from lenders.

A major use-case for our company, product, customers, and ultimately consumers, is residential home loans and ensuring consumers are on the most competitive rate available. To this end, the more PRD for home loans and lenders participating in the CDR ecosystem is a vital component to ensuring consumers realise one of the three key principles of the CDR regime, namely 'Choice'. Limiting the scope of products and lenders participating has the potential to mean that it may not be realised.

Please see our responses below.

Kind regards,

Ruth Hatherley
CEO & Founder
Moneycatcha Ltd

Response to Updates:

1. Updated 'de minimis' threshold for non-bank lending:

- a. **a monetary limb of the proposed threshold of a total value of resident loans and finance leases greater than \$1 billion (compared to \$500 million under the previous proposal) and include related entities of a non-bank lender as part of this test**

In relation to Product Reference Data (PRD), we contend its provision should not be dependent on such thresholds as all lenders, regardless of size, have easy access to data on their products. Furthermore, limiting the scope of PRD provided to the market inevitably reduces the 'Choice' of consumers as some lenders do not need to provide this information. We would support this application to consumer account and transaction data but not to PRD.

Additionally, there is a fundamental question of fairness that needs to be considered. There are bank lenders that would not exceed these thresholds, however, they have been required to comply and provide PRD and consumer data. How is it fair to have imposed the obligations on them previously, and they are now providing the information, to then change the requirements? The other consideration is this could potentially limit the number of lenders participating in the CDR ecosystem which again inhibits the 'Choice' for consumers as there are a number of lenders that do not need to provide this information. We believe this could potentially have a negative impact on consumers and without knowing what lenders, both bank and non-bank, will not be providing at a bare minimum PRD the final impact to consumers is unknown. That is, what is the percentage of lenders that will not need to participate? To understand the real impact this needs to be known.

- b. **a customer number limb of the proposed threshold of more than 1,000 customers (compared to 500 or more customers under the previous proposal) and provide mechanisms for compliance monitoring**

Response provided above in 1(a) applies here as well.

- c. **clarification that data holders with related entities or in white labelling arrangements may discharge each other's obligations**

We are supportive of the data sharing obligations where one data holder may comply with the rules on behalf of a second data holder. This makes sense as it would potentially increase the number of lenders that would meet the 'de minimis' thresholds which would positively impact the number of lenders and products in the CDR ecosystem.

d. clarification that CDR data sharing obligations would also apply to managers of loans (also known as servicer entities) that provide credit on behalf of a non-bank lender

We are supportive of the application of the CDR obligations to loan managers for the same reasons as noted above in 1(c).

e. clarification that a non-bank lending data holder, which does not meet the threshold, may choose to join the CDR by notifying the Australian Competition and Consumer Commission.

We are supportive of providing NBLs that choose to join the CDR the ability to do so as again it will increase the number of lenders and products available through the regime which is a positive for consumers in terms of increasing 'Choice'.

However, we contend that any NBL that does not meet the thresholds and chooses to voluntarily join the CDR should have the data they provide subject to the same standards as lenders that are mandated to join. The reason for this is that low data quality in PRD as well as consumer data has a deleterious impact on the entire CDR regime by reducing confidence in the data provided which can create resistance to using that data. Additionally, it creates a burden in terms of overhead on users of such data to ensure its correctness and potentially remediate it if possible to enhance data quality. This creates significant costs for such companies. Therefore, all data provided through CDR should be subject to the same compliance requirements regardless of whether its provision is mandatory or voluntary.

2. Narrowing the scope of banking and non-bank lending products

In relation to PRD, we don't believe it is necessary to decrease the scope of the products provided as many lenders are already providing data for these products and product information is readily available.

Of the products proposed to be made voluntary we assert that reverse mortgage loans should be excluded from this list. Reverse mortgages are designed to enable retiree homeowners, who are asset rich but cash poor, the ability to access equity in their homes without the need to sell them. This is very important to assist with alleviating the rising costs of living, subsidising their income stream and helping to ensure they maintain a comfortable lifestyle. Given home loans are a key use case for CDR, reverse mortgages should be included.

We don't have an opinion one way or the other regarding the other products on the proposed list to narrow the scope of lending products. We would not support further narrowing of the scope. However, we do contend that any voluntary sharing of the data in relation to these products should be held to the same level of compliance as products shared mandatorily. The reason for this is the same as outlined in 1(e) above, namely the negative impact poor data quality and non-compliance with the data standards has on the CDR ecosystem generally.

3. Reduced requirements to share historical consumer data

We are supportive of reducing the timeframe of transaction data to be shared at the time of the request from 7 years to 2 years. However, we would not support further reductions in this timeframe.

4. Updated implementation timing for non-bank lending

We would like to see the timeline for NBLs to provide PRD be brought forward to early 2026 rather than mid 2026. All lenders have access to their product data so there is no reason as to why the timeline for its provision should have been pushed out so far. Pushing the timeframe back so far for PRD seems disproportionate for the time it will take to provide it.

Additionally, we would also like to see the provision of consumer data by NBLs be moved forward to mid 2026 and rolled out in phases as per the bank lending sector.

5. Other minor updates:

- a. **clarifying that a non-bank lending data holder subject to CDR data sharing obligations solely because of being an accredited data recipient would no longer be subject to those obligations if its accreditation ceased**

We are supportive of this update.

- b. **updating references to Australian Prudential Regulation Authority standards**

We are supportive of this update.

- c. **aligning the deferral of CDR data sharing obligations in respect of buy-now pay-later (BNPL) products to the final obligation date of 13 September 2027**

We are supportive of this update. However, we would not support the timeframe being pushed out further.