



20 December 2024

Director
CDR Framework Unit
Commonwealth Treasury
Langton Cres
Parkes ACT 2600

By email: CDRRules@treasury.gov.au

Dear CDR Framework Unit,

We thank you and Treasury for the opportunity to make a submission into the consultation into updates to the Consumer Data Right (CDR) Rules.

Wise is an International Payments company which makes for a fairer, more dynamic and more productive economy in Australia through our provision of low cost, transparent, cross-border payments.

The opportunities under the Consumer Data Right for more transparently priced and ultimately cheaper international payments are a

About Wise

Wise is a global technology company, building the best way to move and manage money around the world. With the Wise account, people and businesses can hold over 50 currencies, move money between countries and spend money abroad.

Large companies and banks use Wise technology too; an entirely new cross-border payments network that will one day power money without borders for everyone, everywhere. However you use the platform, Wise is on a mission to make your life easier and save you money.

Co-founded by Kristo Käärman and Taavet Hinrikus, Wise launched in 2011 under the name TransferWise. It is one of the world's fastest growing, profitable technology companies and is listed on the London Stock Exchange under the ticker, WISE.

16 million people and businesses use Wise, which processes around £9 billion in cross-border transactions every month, and in 2023 alone, we saved customers £1.5 billion in fees. We now welcome 100,000 new personal and business customers to the platform each week.

Foreign exchange product data under the Consumer Data Right

Wise notes that product data under the Consumer Data Right that focuses on international payments or foreign exchange is to currently require information on foreign currency accounts to be provided.

Wise notes that the exposure draft will require that data on foreign currency accounts will move from being mandatory to being voluntary.

Wise does not object to this on the basis that the value of providing product data on foreign currency accounts is of limited value as the product data relevant for this product tends to only focus on account features, terms and conditions and customer eligibility requirements.

Wise notes that fees charged for foreign currency accounts may not reflect the pricing structures of these accounts and that the account is often provided on a 'free' basis with the monetisation of the account coming from the conversion of money between foreign currencies making the current requirement for

Price information for foreign exchange/foreign currency products is a much higher value proposition for consumers as the market for foreign exchange is one where prices are occluded by pricing practices which tend to confuse consumers.

Wise's recommendation for better international currency product data

Transfer products

Wise suggests that product data rules be expanded to require for the provision to third party registered data holders for the retail FX rates charged by relevant international money transfer providers between Australian dollars and a basket of relevant currencies. These currencies should include those which are most traded as well as currencies to regionally important markets such as those in the South Pacific.

Providing these retail FX rates to registered third party data holders under openly accessible APIs will allow the building of meaningful comparison products which have so far had to rely on screen-scraping or other less productive methods of establishing the price points of various payment service providers.

It should be noted that the Australian Government funds comparison websites which operate without the benefit of open access to retail FX rates offered by major banks and non-bank Payment Service Providers.¹ The sourcing of the retail FX rates offered by providers listed appears to be through screen-scraping or similar methods.

¹ <https://sendmoneypacific.org/>

The use of screen-scraping or manual input is undesirable as it leaves rates out of date, can be prone to mistakes and also requires considerable inputs over and above the use of more machine friendly inputs such as APIs.

Wise argues that the utility of these third party comparison sites would be greatly enhanced were the retail FX rates offered by banks and non-bank PSPs required to be included within the CDR.

A third party comparison product could be built using the retail rates provided and set against this a mid-market rate could show the actual fees being assessed by firms, allowing a greater transparency to the costs of payments.

For completeness and clarity, Wise itself operates a comparison product on our website and we would be likely to utilise this expansion of the CDR rules to better ensure our comparison product reflects the true state of the foreign exchange market.

We thank Treasury for the opportunity to make this submission.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Jack Pinczewski', with a stylized flourish at the end.

Jack Pinczewski
APAC Government Relations Lead
Wise