



SUBMISSION PAPER:

## **Submission to Data61 on Consumer Data Standards - Christmas Draft**

**January 2019**

*This Submission Paper was prepared by FinTech Australia working with and on behalf of its Members; over 170 FinTech Startups, VCs, Accelerators and Incubators across Australia.*



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## About this Submission

This document was created by FinTech Australia in consultation with its Open Data Working Group, which consists of over 120 company representatives. In particular, the submission has been compiled with the support of our Working Group Co-leads:

- Melissa Mack, Money Place
- Lauren Capelin, Reinventure

This Submission has also been endorsed by FinTech Australia members:

- Reinventure
- EzyPay
- Link4
- CertifiedBy
- ID Exchange
- Frankie Financial
- Zip Co

### Submission Process

In developing this submission, our Open Data Working Group held a series of Member roundtables to discuss key issues relating to the Data Standards.

We also particularly acknowledge the support and contribution of K&L Gates and DLA Piper to



the topics explored in this submission.



## Context: Open Banking in Australia

FinTech Australia has been a consistent advocate for policy reform to drive the implementation of an Open Financial Data framework in Australia before the end of 2018. We have made numerous submissions to Federal Treasury, the Productivity Commission, the Open Banking Inquiry and Data 61 on the need for an Open Financial Data framework and on the details of that framework.

FinTech Australia will continue to engage on these broader issues, including by liaising with the Australian Competition and Consumer Commission (**ACCC**) in relation to the development of the Rules Framework and Treasury in relation to draft laws and privacy impacts.

While it is beyond the scope of this consultation, Fintech Australia notes with concern the recent delays to the commencement of the Open Financial Data regime. Specifically, our members consider that the move to a pilot program from July this year is unnecessary and inhibits the progress already being made across the industry. .



## Consumer Data Standards - Christmas draft

FinTech Australia welcomes the opportunity to put forward its position on behalf of members in relation to the Christmas draft of the Consumer Data Standards.

We have highlighted below a selection of key issues which we believe are important as Data 61 progressed towards Version 1.

### 1. Draft API standards

Fintech Australia's submission on a previous draft of the Standards requested a number of additional data points in the data scheme. We appreciate the steps taken by Data 61 to address the majority of these points. We note that the following have not yet been included and again request that these items are added:

- whether mortgages are for owner occupied or investment property;
- whether automatic credit card repayments are for the entire balance or minimum balance or some other amount;
- account holder date of birth;
- default status for customer (including details of the default, such as product, date of default, principal amount, outstanding amount with fees and interest);
- director information for organisations;
- guarantors linked to particular products;
- details of relevant security property or other secured assets (including type of security, valuation); and
- application details (including date of applications, products applied for, current status).

As we have stated in previous submissions, we consider that a guiding principle of the data standards needs to be that they will grow and develop to encompass new data as it becomes available, particularly through innovations on the New Payments Platform. First, Fintech Australia submits that, as the data standards are being finalised, any current and in-development overlay data which becomes available (such as long descriptions via Osko) should be incorporated into the standard. Second, we request that there be sufficient flexibility to the data standards, and the standards setting process, to allow for the inclusion of additional data fields over time.



In addition to appropriately defining the data schema, Fintech Australia stresses the importance of ensuring that data holders implement the scheme consistently, such that all fields are available from the outset. In the absence of this consistency, our members will have great difficulty building services on top of the framework.

Finally, It is difficult for us to provide comprehensive submissions on the API standard as they do not yet contain non-functional requirements and service levels (such as response time details). Furthermore, without current sandboxes, we are not yet in a position to make conclusive comments about the effectiveness of the standards.

### 3. Customer experience

FinTech Australia considers that the consent flow needs to accommodate information for consumers about the risks and rewards of providing the data recipient with access to their data. This will enable fully informed decisions about consent.

Highly granular consents (where consumers can make highly nuanced decisions about what type of information to share) have the potential to overwhelm consumers. Accordingly, a preference for a simple set of possible consents should be preferred. The consent model should be as simple as possible.

Members were also concerned that, when authenticating with a bank, consumers should not be overwhelmed by warnings and explanations about the risk of sharing data. While FinTech Australia supports consumers being fully informed about how their data will be shared, we also see a need to ensure that the authentication process does not overemphasise the risks to the point that consumers will be reluctant to share their data.

We understand it is proposed that CX guidelines will be published in March or April. FinTech Australia requests that the guidelines be made available as soon as possible to enable data holders and recipients to implement them during the pilot program and to minimise the likelihood of any further delays to commencement.



## Conclusion

FinTech Australia thanks Data 61 for the opportunity to provide inputs and recommendations on the development of the Standards and Consumer Data Right. We will continue to engage on the broader issues in relation to Open Banking.



## **About FinTech Australia**

FinTech Australia is the peak industry body for the Australian fintech Industry, representing over 120 fintech Startups, Hubs, Accelerators and Venture Capital Funds across the nation.

Our vision is to make Australia one of the world's leading markets for fintech innovation and investment. This submission has been compiled by FinTech Australia and its members in an effort to drive cultural, policy and regulatory change toward realising this vision.

FinTech Australia would like to recognise the support of our Policy Partners, who provide guidance and advice to the association and its members in the development of our submissions.