

Consumer Data Right

Data Standards Advisory Committee

Minutes of the Meeting

Date: Wednesday 10 March 2021

Location: Held remotely via WebEx

Time: 14:00 to 16:00

Meeting: Committee Meeting No: 29

Sector: Banking

Attendees

Committee Members

Andrew Stevens, Data Standards Chair
Brenton Charnley, TrueLayer
Andrew Cresp, Bendigo and Adelaide Bank
Damir Cuca, Basiq
Nigel Dobson, ANZ
Gareth Gumbley, Frollo
Rob Hale, Regional Australia Bank

John Harries, Westpac
Frank Restuccia, Finder
Lisa Schutz, Verifier
Ross Sharrott, Moneytree
Lauren Solomon, CPRC
Stuart Stoyan, MoneyPlace

Observers

Barry Thomas, DSB
James Bligh, DBS
Ruth Boughen, DSB
Rob Hanson, DSB
Terri McLachlan, DSB
Michael Palmyre, DSB
Mark Verstege, DSB

Paul Franklin, ACCC
Mark Staples, Data61
Ying Chin, OAIC
Kate Camilleri, PEXA
Marielle Yeoh, PEXA
Kate O'Rourke, Treasury
Jodi Ross, Treasury

Apologies

Erin Turner, Choice

Chair Introduction

The Data Standards Chair opened the meeting and thanked all committee members and observers for attending meeting no 29.

The Chair noted that the Data Standards Body (DSB) has now transferred from CSIRO to the Consumer Data Right (CDR) Division at Treasury effective 1 March 2021.

The Chair noted that he will be attending the CDR Board meeting on 16 March and Barry Thomas attended the first CDR Operational Committee meeting for 2021 on 2 March 2021.

The Chair wanted to note a concern that was raised by one of the Advisory Committee members of a potential and perceived conflict of interest which has been adequately resolved. Given the DSB's strong commitment to doing everything in the open, whilst they haven't mentioned the name of the Advisory Committee member, they have put a summary in the Addendum.

The Chair noted the great news that Adatree and the Commonwealth Bank of Australia (the first "Big 4") have been accredited as data recipients under the CDR regime.

The Chair noted that Kate Camilleri and Marielle Yeoh from PEXA will be joining the meeting at 14:30 to present on their learnings and experience in accelerating their network in the e-conveyancing space.

The Chair noted that Marie Steinhailer from TureLayer has headed off on parental leave and Brenton Charley has joined us as the TrueLayer representative.

The Chair welcomed Ruth Boughen, the new Program Manager in the DSB team who joined on the 26 February 2021. He invited Ruth to introduce herself to the committee.

Ruth Boughen noted that she is really excited to be involved in this phenomenal program of work. She has had the pleasure of working with James Bligh at National Australia Bank (NAB) in delivering Open Banking a number of years ago and she brings that experience into this program. She has had over 20 years working across program delivery, strategy, across many different sectors including finance, Telcos and education and is very much looking forward to helping to shape this regime.

The Chair noted that there will be no presentations this month by the committee as no issues were raised for discussion. He looks forward to additional presentations from the committee at future meetings.

The Chair noted that Erin Turner (Choice) is an apology for this meeting.

Minutes

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The Chair thanked the Committee Members for their comments and feedback on the Minutes from the 10 February 2021 Advisory Committee meeting. The Minutes were taken as read and formally accepted.

Action Items

The Chair noted that the Action Items were either completed or would be covered off in scheduled discussions.

Working Group Update

A summary of progress since the last committee meeting on the Working Groups was provided in the Committee Papers and was taken as read.

Technical Working Group Update

A further update was provided on the Technical Working Group by Mark Verstege as follows:

The DSB noted that they will be publishing the latest version of the standards (v1.7.0) today. That culminates all of the changes they've consulted on prior to the beginning of the year. They are now well underway with the latest Maintenance Iteration #6. They are trialling some new things, using mechanisms to assist and allow the community to vote on the priority of particular changes which have helped them to groom the backlog and identify the issues which are most important from the perspective of the community.

The DSB noted that they have published a consultation on the technical analysis of version 2 of the rules. They received some great feedback which providing some clarity from a DSB technical perspective as to how those v2 rules could be accomplished.

The DSB noted that they have posted a Noting Paper on white labelling. That is currently open for consultation and is aligned with ACCC's guidance published from a rules perspective. This looks at the common white labelling models from a banking perspective but also cross sectors, and how that would apply to the technical standards and how banks can comply.

The DSB noted that they are looking at a provisional White Labelling workshop in April which will focus on more complex white labelling arrangements which aren't identified in the Noting Paper. They would welcome feedback on this.

One member noted that they would be very interested in providing feedback on white labelling and there are also a number of financial institutions (FIs) who have different customer orientation who would also welcome meeting with the DSB.

The Chair invited the member to encourage the FIs to be in touch with the DSB as they see this as a particularly important area of work because of the likely precedent impact of the white label business models which will go far and wide across the cross sector, whole of economy CDR.

Consumer Experience Working Group Update

A further update was provided on the CX Working Group by Michael Palmyre as follows:

The DSB noted that since the last meeting, there has been a lot of work on the standards proposals, the first public workshop of 2021 and continued work with the rules team on CX changes following the making of the v.2.0 rules.

The DSB noted that the Consumer Policy Research Centre (CRPC) engagement is still moving along. They have completed their community engagement on vulnerability and are finalising the report. The report has some incredibly useful frameworks and recommendations that will be useful for consideration for CX artefacts for the community, especially where smaller players come into the Consumer Data Right (CDR) who could benefit from guidance on treatment paths for identifying vulnerability.

The DSB noted in regard to standards and guidelines, there is a lot of work happening around CX artefacts based on version 2 rules. Authorisation, data holder dashboards artefacts are all nearing completion and they have also been progressing work on Joint Accounts (JAs).

The DSB noted that they held a Joint Account Workshop on Tuesday 2 March which was very successful. It was the biggest online interactive workshop they have had to date with a good range of representation from major and non-major data holders (DHs) from the energy and financial sectors, accredited data recipients (DRs) (prospective and existing) and consumer advocates. It's a complex topic and they held a lot of really productive discussions. The online artefact and outputs can be found [here](#).

The DSB noted that it also concluded consultation on CX standard proposals as outlined in [Noting Paper 157](#). They received very practical and useful feedback on items that are of immediate focus and some broader issues to consider.

The DSB noted that there is a revision to [Decision Proposal 144](#) which is currently being developed to aid the simplification of authorisation flows where consents are being amended. This revision takes into account the feedback from the community on obligation levels and proposed timing.

The DSB noted that [Noting Paper 157](#) concluded on Friday 12th February. This NP provided a list of anticipated CX Standard changes following the making of v2 of the rules. The community provided extensive feedback which the DSB will respond to and incorporate into subsequent decision proposals.

The DSB noted that they have a number of placeholders open in relation to CX Standards on non-individual consumers and related items for the energy sector ([Decision proposal 160](#)) and [Decision proposal 162](#) has been published as a placeholder for CX Standards relating to joint accounts.

The DSB noted that the decision relating to [Proposal 168](#) was published on GitHub noting a minor revision to an optional aspect of the withdrawal standard which will sit alongside the technical standards as HTML.

The Chair wanted to reinforce how important feedback is and attendance at workshops is vital. That is where the input to the standards establishment and guidelines and supporting information is crafted. He is delighted that their biggest ever collective workshop has just happened on joint accounts and noted its importance in particular to not only existing participants but those who are rapidly coming into the regime.

One member asked if he was able to share any insights or takeaways from the workshop.

The DSB noted that they are conducting some analysis and they have some preliminary outputs. They have some insights in relation to potential issues with inflow election that they can help clarify around how it works and interpretation. There was also a number of points raised in regard to the potential issue of once off collection. The preliminary outputs of the workshop can be [found online here](#).

The member asked looking at the sectors, is there any commonalities in terms of the consent flow, or are you starting to see a branching of complexities that relate to some of the other industries?

The DSB noted that is hard to tell without the energy related rules being finalised, but at this stage the commonalities are fairly clear when it comes to the consent flow and it's their aim is to be agnostic of sector as well. They will want to look into things like joint accounts and the role of the gateway when that becomes clearer.

One member asked if there is some opportunity to refine the rules, which would be challenging now as people are building to the rules, and have we learned anything from the workshop that could influence a more optimal, rigorous, field testing of implementation as a consequence of the workshop?

Treasury noted that the fact that there were some observations about whether they are the right rules or the right settings have been passed on by the DSB to Treasury to reflect on. The idea of changing the rules requires a significant step, and the Minister as the rule maker, would need to make that decision. Further consultation would also be needed.

The member noted that some things might have really good intentions, are well defined and make sense in the rules creation process but when it gets realised in a practical element, some of those little issues can surface and become larger.

Treasury noted the value in thinking through the practical application of ideas as they are being developed in a policy or rules sense as much as they can. Bringing everyone together in one organisation (policy, rules and standards) gives them a chance to try and improve that with bringing forward the consumer experience and design piece as they are giving their advice to the Minister.

The Chair noted that he doesn't recall whether the consultation was done only on banking or whether it was done on the context of cross sector and therefore the issue is potentially amplified by the gap between the solution that we have in the rules and what maybe the appropriate solution based on the realities of energy and banking combined. Potentially, if there were hypothetically two different joint account solutions required by the rules for separate sectors then the same transaction involving the same customer could have a dual pathway requiring the DR to exercise both according to the rules, which would be clearly perverse.

Treasury noted the rules consultation, like the framework piece for energy consultation that the ACCC did last year, covered the question of joint accounts on a conceptual level. In regard to the principles for our review, we want them to be more universal, simple and get the balance between prescription and principle based. The framework does exist if something in a sector does need to be different but the goal is to have as few things as possible in those schedules.

Stakeholder Engagement

A summary of stakeholder engagement including upcoming workshops, weekly meetings and the maintenance iteration cycle was provided in the Committee Papers and was taken as read.

PEXA Presentation

John Harries welcomed Kate Camilleri (GM Financial Services) & Marielle Yeoh (Chief Financial Services Office) from PEXA who will present on their journey and insights on how they effectively digitized the property conveyancing industry.

PEXA noted that there are around 12,000 Australian's per week who receive access to loan funds or proceeds from the sale of their property, or their new property by virtue of those transactions settling electronically with over 4000 bank staff involved representing 150 different financial institutions. 75% of all land transactions nationally will settle electronically.

The journey started 10 years ago when the coalition decided it was time for an e-conveyancing platform in Australia. In 2010 the state and federal governments passed legislation which enabled the land titles office to transact digitally but also digitise some processes that sit around settlement. In 2012 PEXA started engaging with stakeholders and industry to see how they could transform the 150-year-old paper settlement process and convert it to digital. This engagement included the Reserve Bank of Australia, the banks, the practitioner market and the Lands Titles & State Revenue Offices.

They were able to realise their dream of an end to end solution for digital settlements with the most important feature being the electronic lodgement of the land title documents happening at the same time as the electronic exchange of funds which is a world first in e-conveyancing.

It was a large-scale transformation for the banks which they approached initially by breaking it down to single party transactions. They realised that they were able to interact easily with each other to complete a refinance transaction which introduced the financial exchange element to the end to end process.

The key learnings from the digital transformation were to 'get the narrative right', 'leverage the network effect', 'encourage participation' and 'finding the right people to lead the change'. The right people needed to understand the need for change and be influential and inspirational, not only in their own organisation, but for the rest of industry.

Initially it was apparent that the narrative was that it's a PEXA's problem, but they were the technology enabler to solve this problem. They had to do a lot to work to change that narrative to become an industry problem to solve. They created industry working groups and it was the participants within those groups that solved the problems. This led to the leveraging the network effect because of the face to face engagement and trust and transactions with one another.

This led to the transactional level of engagement being taken away but industry was coming together to discuss things that were important. Digital was taking care of the transactional work, but face to face engagement was happening on a more meaningful level.

The Chair asked whether people were obliged to use the digital approach offered by PEXA or could they opt to continue with the manual system.

PEXA noted that in the early days there was a choice and it was completely optional but industry slowly started to realise that there was benefit in settling digitally and it would have been dangerous if one participant was digital and the others were manual. Government looked at digital roadmaps and introduced timelines to transition from paper settlement process to the digital settlement process.

One member noted that we don't want to wait 6 years for CDR to kick in so what are the things you would do differently to accelerate the implementation timeline?

PEXA noted they probably didn't get their value proposition out easily and quickly enough. They also could have got the industry working groups together and mobilised them much quicker. The

collaborative approach and the development of those forums was designed to get people's buy in and ownership of the process as it evolved.

The Chair asked whether, considering putting additional effort into design and build versus additional effort around the user experience, which one had the greatest impact?

PEXA advised it was user experience. The design and build can always be tweaked along the way as long as the core functionality is right and you make it a great user experience.

One member noted in regard to onboarding, what did they do in terms of enabling lawyers and others to get onto the platform and accelerate?

PEXA noted that they had to deploy people in each state, boots on ground which really helped to accelerate the onboarding process.

The Chair thanked Kate & Marielle for joining and presenting at the meeting and for John Harries for arranging the presentation as there are many parallels and it has been very helpful to have them present.

Treasury Update

Kate O'Rourke from Treasury provided an update as follows:

Treasury noted that they are delighted to welcome the DSB and the rules team from the Australian Competition & Consumer Commission (ACCC) into Treasury from 1 March 2020. They now also have responsibility for sectoral assessment and communications. The comms piece is still in transition but it will be coming across soon.

Treasury noted that they are taking an overall leadership and coordination role of the program and are currently setting up a Program Management Office (PMO). This will not only have oversight of the program as a whole, but also to make sure all the component parts are working well together, to identify opportunities for us to do consultation in a more coordinated way and to make sure the roll out and implementation of CDR goes well.

Treasury noted that one of the first tasks the PMO team will do is to identify the success measures, which is really important.

Treasury noted that they are working through the [Inquiry into Future Directions for the CDR](#) Report and have been doing some targeted consultations on the proposals. They are keen for the government to identify which parts of the report are most important and which ones are a priority. They see the value of thinking about how things might apply in practice as they start to think about future directions and new aspects of CDR.

Treasury noted there is a high level of interest in the issues that weren't resolved in version 2.0 of the rules which include tiered accreditation, disclosure of insights and data to trusted advisors. In the feedback received on accreditation, there were some concerns raised with models and the most important thing is that it's simple and the flexibility of how data sets can be used rather than locking in restrictions that might flow from accreditation. They are working through options in light of the feedback received which they will take to the Minister.

Treasury noted the energy rules drafting is progressing and they are doing that through the lens of those principles for the rules review which are simplicity, universality and getting the balance right between prescription and principled-based rules.

Treasury noted that they are looking at governance, now that the Minister is the rule maker, and what that means for decision making in the CDR.

Treasury noted that they are also thinking about engagement and looking at whether they are set up correctly to ensure they're getting the right input at the policy and rules level. They are also making sure they have the formal feedback processes in place when they make the rules, the range of ways they get input, the right time from the right people.

Treasury noted the query raised via email by a member on ensuring Open Banking authentication is compatible with New Payments Platform (NPP). The mandated payment system is rolling out toward the end of year, and at the moment it looks like it has implemented its own authentication process, and is not compatible with CDR which means a broken experience of party using open banking and NPP services. What do we need to do to ensure open banking (authentication) is compatible with MPS?

Treasury noted that, with the DSB, they have been meeting with NPP to discuss the alignment points and are live to that risk of misalignment. The initial discussions have been around customer authentication and other CDR actions and at this stage they cannot give much of read out of where they will land but they recognise the importance of this issue.

The member noted that they are looking at it from a purely practical point of view and a lot of their customers will use their services. For example, to be able to aggregate data and they'll do some type of payment component as a result of that particular data. They've had a peak into what kind of future the NPP and mandated payment system looks like and realised that the user experience would be incredibly flawed as the consumer would have to authenticate multiple times. Is there anything they can do to help guide that down the right path because they understand that the mandated payment system as it stands now, has come to the conclusion that they can't wait for Open Banking or CDR and they have implemented their own authentication process.

Treasury noted that they will take them up on their offer to assist if there any additional assistance required.

Another member noted that they are on the NPPA Board and noted that it is a matter of consultation and with the emergence of payment initiation, they have been planning for payment initiation implementation. It is a matter of the right consultation at the right time but they suggest sooner rather than later. They don't want to have a poor customer experience, because the payment initiation piece of the CDR is really important to them as it is for the broader community.

Another member noted they can add some international experience and the fact that they do AIS and PIS in the UK and making sure there's consistency in those standards. They are also talking to the NPP about the MPS (Mandated Payment Service) and they would be happy to join the consultation with Treasury and NPP.

The DSB noted that they have an active engagement with NPPA and its relatively early days, but clearly they began their work with a view to our CX work. There a lot of commonalities but further work needs to be done to make sure we're appropriately aligned and don't create a high friction experience for consumers.

Treasury noted in regard to additional question raised via email on reciprocity. Can Treasury shed some more light on this and what it means for FinTech's?

Treasury noted that this is one of the more significant recommendations in the Farrell report and they are not at the point where they know yet exactly what it will look like. It needs more work and thinking which Treasury is working on.

The member noted that if we can't get a single consolidated view of the customer's finances through Open Banking APIs there will always have to coexist a method of both CDR and screen scraping as there will not be another way to acquire the extra data. They noted that there is a lot of use cases where they have to go outside of ADI's themselves to be able to access financial data, and if they are not under any obligation to open up as API's they don't have any other choice.

Treasury noted that there is a form of narrow reciprocity that exists already in the regulatory regime which covers non ADIs who've become accredited DR's to the extent they are providing the banking type products in the rules.

One member noted that there is an overlap with intermediaries in a sense that many smaller institutions will work through an intermediary to facilitate a transition from screen scraping to the CDR and you need a switch. Providers like Yodlee and Basiq become really important from an intermediary perspective, because if the intermediaries can facilitate screen scraping and running it more directly in a more controlled environment it's almost a halfway house between the wild west of screen scraping and organisations that are accredited under CDR that are then partaking the screen scraping.

The Chair noted Treasury's comment earlier on how we've changed the situation and the Minister now makes the rules. How is that different to when the ACCC had the rule making responsibility and recommended the rules to the Treasurer who consented to those rules?

Treasury noted that the difference is between who the actual decision maker is. The ACCC was the decision maker, and there was a consultation/approval process from the Minister but accountability rested with the ACCC and now the accountability rests with the Minister. The Minister would have earlier input into the building blocks of policy decisions and then that ultimate accountability as the decision maker is different. They are pointing out the difference between making rules and being consulted on or approving them at the Ministerial level, that there is a distinction there of the level of engagement and accountability.

One member noted that they would encourage cross sectoral discussions with stakeholders because the more we can share what the problems are then the more we can work together on the aspects of the reform process. They also noted that when we are looking at prioritising reforms, is there an evidence base informing the prioritisation of the recommendations for change? What would be helpful is, when we are pursuing a piece of work for e.g. on trusted advisor, that the government presents to industry and consumer groups the scale and volume of the known entities that would benefit from that particular reform stream and the scope of the known use cases for consumer benefit that would be associated with that reform happening. Scale is useful because it helps them understand the volume of entities that are coming to market as a result of the change and scope is useful in terms of understanding the potential products and services and use cases that consumers can actually benefit from given that reform. This would help with the prioritisation of the issues being considered.

ACCC Update

Paul Franklin from ACCC provided an update as follows:

ACCC noted with the move of the rules team to Treasury, they will continue to be responsible for the accreditation of DRs, for registration and onboarding of DHs and DRs, for compliance and enforcement together with the OAIC, for designing, developing and running the register and accreditation platform that supports the secure sharing of data between participants and for the conformance test suite (CTS) with participants. They are also working with the DSB to align the processes for setting register standards.

ACCC noted that Adatree Limited and CBA were both accredited 2 weeks ago and the pipeline for prospective DRs remains solid. They are looking forward to announcing more accreditations in the coming weeks.

ACCC have recently updated the [CDR guidance for applicants seeking exemption under section s56GD](#) for data holders who wish to seek exemptions from their obligations which was included in their recent newsletter.

ACCC noted that the Participant Portal user guide has been updated and there was a new release of the Register and Accreditation Application (RAAP) on the 19 February to introduce a number of enhancements to make it easier to use for participants. They have also launched version 2 of the CTS. Whilst the CTS is targeted at the banking industry, they are committed to making sure that they have a mature CTS available to all participants who need it which will include energy in the future.

ACCC noted that the main focus at the moment is the onboarding of the major banks. They have 90 major banks to onboard between now and 1 July. Not everyone has responded, but the vast majority are working their way through the process in a very timely way which is an important milestone for the CDR in reaching all the ADI population by 1 July.

One member asked what likelihood that they will meet the 1 July deadline because it is an ambitious deadline?

ACCC noted that a couple of exemptions have been granted for exceptional circumstances for example there's been a merger between 2 banks. They will be working with the majors to ensure they know what their obligations are, but it is not something that is under the ACCC's absolute control. If a bank is not ready, ultimately it becomes a compliance and enforcement activity for the ACCC to enforce them to take appropriate action. They are seeing very good progress of a large number of participants in the registration process.

Meeting Schedule

The Chair advised that the next meeting will be held remotely on Wednesday 14 April 2021 from 2pm to 4pm.

Other Business

No other business raised.

Closing and Next Steps

The Chair thanked the Committee Members and Observers for attending the meeting.

Meeting closed at 3:45