



# Field of Dreams: Build it and they will come

How are organisations responding to the Consumer Data Right?

October 2021

# Contents

01

Summary

02

Background

03

Potential:  
Impact of CDR on  
industry sector

04

Preference:  
Receiving CDR Data

05

Progress:  
Delivering value

06

Problems:  
Proposition barriers

07

Next Steps

08

Last word

09

About the survey

# 01 SUMMARY

**In the 1989 movie *Field of Dreams*, a farmer builds a baseball diamond in his cornfield after hearing a voice whispering to him. The movie sparked the popular saying ‘If you build it, they will come.’ [1]**

It sometimes seems that this same principle has been adopted for Australia’s Consumer Data Right (CDR): if we build the legislative framework to enable safe data sharing, consumers will come and start sharing their data, and organisations will come and offer propositions that consumers value that are enabled by CDR data.

Banking was the first sector designated under Australia’s CDR. However, over twelve months since the start of open banking, progress to realise the dream has been limited.

The reality is that despite a 12 month delay in the start date, most banks failed to meet the revised 1 July 2021 deadline for their data sharing obligations as data holders. And so far only a handful of organisations are active as accredited data recipients.

Australia’s CDR is intended to be economy wide. The energy sector has already been designated, and an assessment of the telecommunications sector is underway. The government has said that a new sector will be designated every year.

But designating new sectors does not guarantee that consumers will have access to new products and services. It does not guarantee that organisations will build propositions that use the data consumers can share with them through CDR.

## In Brief

-  Australia has started on its data sharing journey, with banking the first sector to which the CDR applies.
-  But it’s been a slow start, with only a handful of active accredited data recipients and not all data holders ready on time.
-  The majority of surveyed companies believe Australia’s CDR will have a significant impact on their sector.
-  But CDR’s success is dependent on the development of propositions which deliver value to consumers and organisations.
-  The good news is that there is a pipeline of propositions being developed. Almost all respondents have initiatives underway to develop CDR-enabled propositions.
-  But limited consumer demand so far, internal resource allocation cut-backs, and regulatory complexity and changes are seen as barriers.
-  Given its potential to enable new opportunities and to expose organisations to new threats, all organisations in sectors which have been or could be designated for data sharing should be taking action now.



We know that consumers are willing to share data if they receive something of value in exchange.

So the key question to be answered:

**Is there a pipeline of propositions which use CDR data to deliver value to consumers and businesses?**

To help answer this question, Quill Peak, in partnership with StudioWorks and Open Data Australia, set out to find out more about how organisations in a range of sectors are responding to CDR.

- Do organisations expect that CDR will have a significant impact on sectors that are designated?
- How do they expect to receive CDR data?
- What does the pipeline of CDR-enabled propositions look like?
- And what are the barriers to developing CDR-enabled propositions?

The good news is that over **90 per cent of respondents have initiatives underway based on data shared using CDR.**

They are either building, testing or designing propositions, refining concepts, or discussing options.

And while organisations are still considering the proposed rule changes that broaden the ways they can receive CDR data, the **majority intend to be accredited as data recipients or as intermediaries.**

They're doing this because an **overwhelming majority believe that CDR will have a significant impact** on their industry sector.

But our survey highlighted a paradox at the heart of Australia's CDR: Organisations have not yet built propositions which deliver value to consumers because of a perception of a lack of customer demand. Consumers are not demanding to share data because of the lack of propositions enabled by data sharing.

But this is not the proverbial chicken-and-egg problem. We know that consumers **are** willing to share data. It is organisations that need to take the lead and design and build propositions which deliver value to consumers. To have an impact they need to allocate financial and human capital to developing CDR-enabled propositions.

With the government intending to designate a new sector every year, organisations should be thinking now about what propositions they can develop using shared CDR data.

While some might say that the start of CDR has been slow, there is room for optimism that over the next 12 months more propositions will be brought to market, more data holders will become active and there will be a clearer roadmap for the development of an economy-wide CDR.





## CONSUMER DATA RIGHT – THE SCOREBOARD

**SURVEY  
REPLIES**

**56**

**SIGNIFICANT  
IMPACT**

**77** %

**INTEND TO  
USE CDR**

**91** %

**DESIGNING OR  
BUILDING  
PROPOSITION**

**55** %

**PROBLEMS**

**LACK OF CUSTOMER DEMAND**

**43** %

**REDUCED BUDGET ALLOCATION**

**45** %

**REGULATIONS CHANGING TOO QUICKLY**

**32** %

## 02 BACKGROUND

The Australian Treasury has hailed the Consumer Data Right (CDR) as an 'economy-wide reform designed to empower consumers'. [2] It 'gives consumers the right to share their data [which is] similar to their right to make payments from their money.' [3] Ultimately CDR is intended to 'fundamentally change the way Australian consumers and business engage, understand and benefit from data, and in doing so transform the economy by driving competition, innovation and productivity gains.' [4]

While the CDR regulatory framework enables data to be shared, a key to the success of CDR will be consumer behaviour and engagement with data sharing. The observation in a UK open banking report that 'Understanding, and taking into account the complex interplay between consumers' personality, attitudes and emotions will be crucial to the success of the use cases Open Banking enables' [5] is equally applicable to Australia's economy-wide CDR.

Studies in Australia [6] and in the UK [7] have highlighted two factors that influence consumers' participation and their willingness to share data.

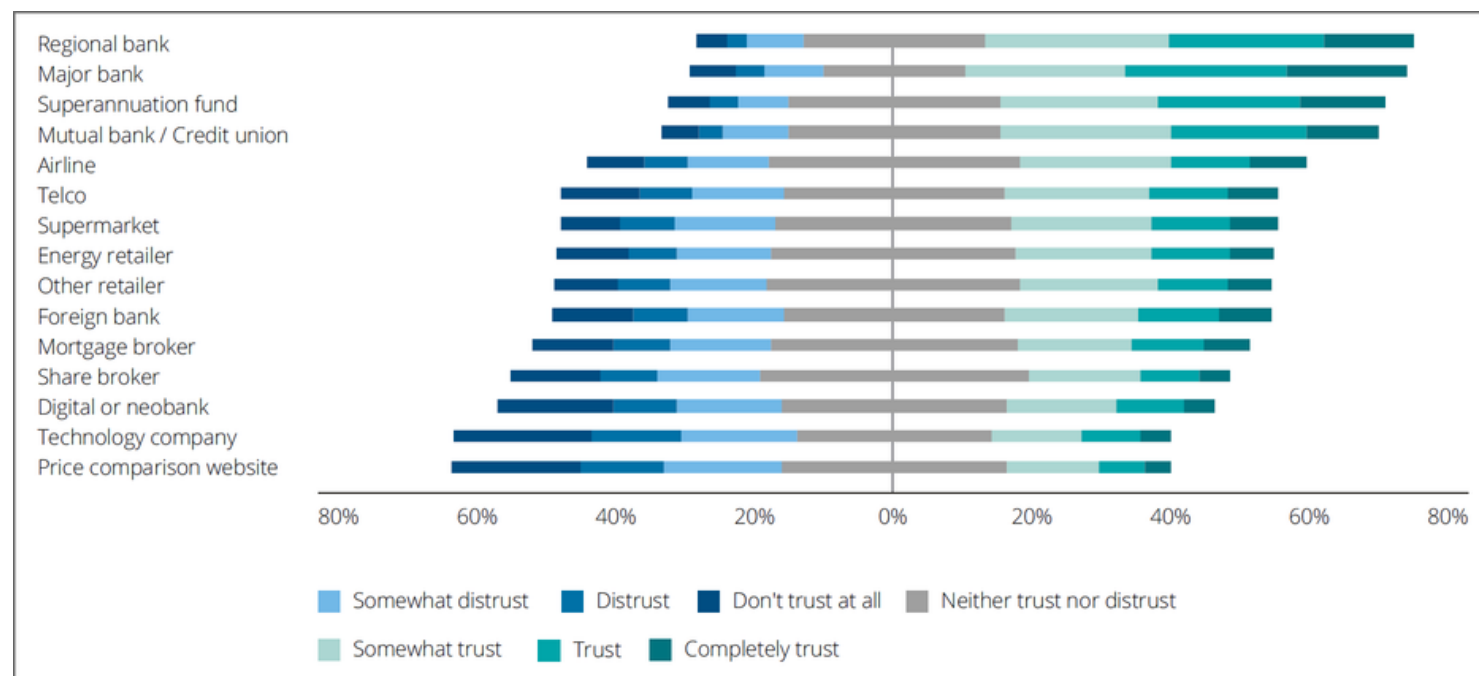
The first is trust, and specifically **information trust** – consumers need to have confidence that an organisation will keep information secure and exhibit transparency on how information will be used and shared.

Information trust varies across different types of organisations and sectors.

Most consumers express a high level of trust in financial institutions' use of their personal data. They are also open to having their data used for a more tailored experience. [8]

Consumer trust is a critical ingredient to fulfil the promise of data sharing.

**Figure 1: Information Trust**



Source: Deloitte, Open Banking: Switch or Stick? Insights into customer switching, behaviour and trust, October 2019

‘Hope lies in dreams,  
in imagination, and in  
the courage of those  
who dare to make  
dreams into reality’

Jonas Salk, medical researcher and  
developer of one of the first polio vaccines

What will also be critical to the success of the CDR in Australia is a second factor: the **development of use cases which utilise data** shared through the CDR **to deliver value**. The observation in Ipsos MORI's UK report that 'anything less from the industry, and the promise of open banking will turn sour', applies also to Australia's CDR. [9]

A common theme in relation to data sharing and open banking is hope. In its seminal report on data availability and use the Australian Productivity Commission noted that 'improved data access and use **can** enable new products and services...' and the costs '**should** be substantially outweighed by the opportunities' but cautioned that 'opportunities to use it [data] are **largely unknown**...'. [10]

In his report for the Treasury setting out a framework for open banking and the Consumer Data Right more broadly, Scott Farrell noted that open banking '**could** lead to the development of new financial products and services.' [11]

A report by the UK's Open Data Institute noted that 'it is **hoped**' that open banking will help consumers and businesses 'access better rates on overdrafts, savings, credit cards and mortgages....'. [12]

Consumers will only share data if they value the propositions organisations develop which are based on shared data. But so far, the response from potential data recipients can only be described as underwhelming.

But what's in the pipeline? It is this issue that we have set out to explore in this report.

To understand whether there is a basis for this 'hope' and whether the 'largely unknown' opportunities will eventuate, we've set out in this Pulse Check to understand where organisations are with their development of use cases.

Organisations from a range of sectors which have been or could be designated under the CDR framework together with service providers to CDR participants have contributed responses.

Based on these responses in this report we look at:

- How disruptive organisations expect CDR to be to their sector
- How organisations are receiving or planning to receive CDR data
- What the CDR-enabled proposition pipeline looks like
- What organisations see as the primary barriers to developing propositions using CDR; and
- What needs to happen for consumers and organisations to realise the value and benefits of CDR and turn 'hope' into reality.

In the future we intend to conduct a more detailed survey exploring the nature of the specific propositions being developed using CDR data.



# AUSTRALIA'S DATA SHARING JOURNEY

## CDR's Genesis

The Treasury's CDR timeline has Australia's CDR journey starting with recommendations in the 2014 Financial System Inquiry (the Murray Report). However the earlier 1997 Financial System Inquiry (the Wallis Report) had highlighted information asymmetry as a source of market failure which adversely impacted consumers and small businesses. But this observation languished for 17 years.

The recommendations of the Murray Report, amplified by the Competition Policy Review (the Harper Review), formed the basis for the Productivity Commission's Inquiry on Data Availability and Use which started in March 2016 and finalised its report on 31 March 2017. [13]

This was immediately followed by the announcement that open banking would be introduced in Australia and the commissioning of a Review into Open Banking (the Farrell Review) which outlined the design principles and legislative framework for what became the Consumer Data Right.

However, since then Australia's CDR journey has taken a somewhat meandering path.

## Banking Sector

Introduced on 26 November 2017 following the Farrell Review, the CDR rules for the banking sector originally required the big four banks to be able to share customer data from 1 July 2019. In December 2018 this was amended so only product data needed to be shared from 1 July 2019, with sharing of customer data by the big four banks delayed seven months to commence on 1 February 2020. [14] This was changed again in September 2019 when it was delayed a further five months to commence on 1 July 2020. Sharing of customer data by other banks was similarly pushed out to 1 July 2021. [15]

Along the way we've seen exemptions granted as a result of COVID-19 to financial service providers' obligations to provide product data [16], and amendments to the rules to include intermediaries [17], a broader range of business customers [18], and to facilitate greater participation by data recipients. There's been consultation around tiered accreditation, sponsored accreditation, disclosure of insights, and sharing data with 'trusted advisers'. [19]

In addition, the report of the inquiry into future directions for the Consumer Data Right was released in December 2020 [20] with 100 recommendations including options to expand the CDR to include 'action initiation' (also known as write access). This was followed by a workshop in June 2021 on the most effective means of enabling action initiation.

Some may have quipped that with submissions to all the inquiries and consultations, there's been little time left over to build propositions!

In addition, to these changes, responsibility for the development of the rules was moved from the ACCC to Treasury and the Data Standards Body (DSB) was transferred from CSIRO to Treasury on 28 February 2021. [21]

But while banking has been the focus, it's not the only sector impacted. CDR is intended to be an economy-wide initiative. In May 2018 the government had announced that it intended to include the energy and telecommunications sector in the CDR.

## Energy Sector

The energy (actually electricity) sector was designated in June 2020 [22] following consultation on data access models for the sector in February 2019 and the publication of a position paper in August 2019. Consumer data sets nominated for the sector include customer and billing information as well as metering data.

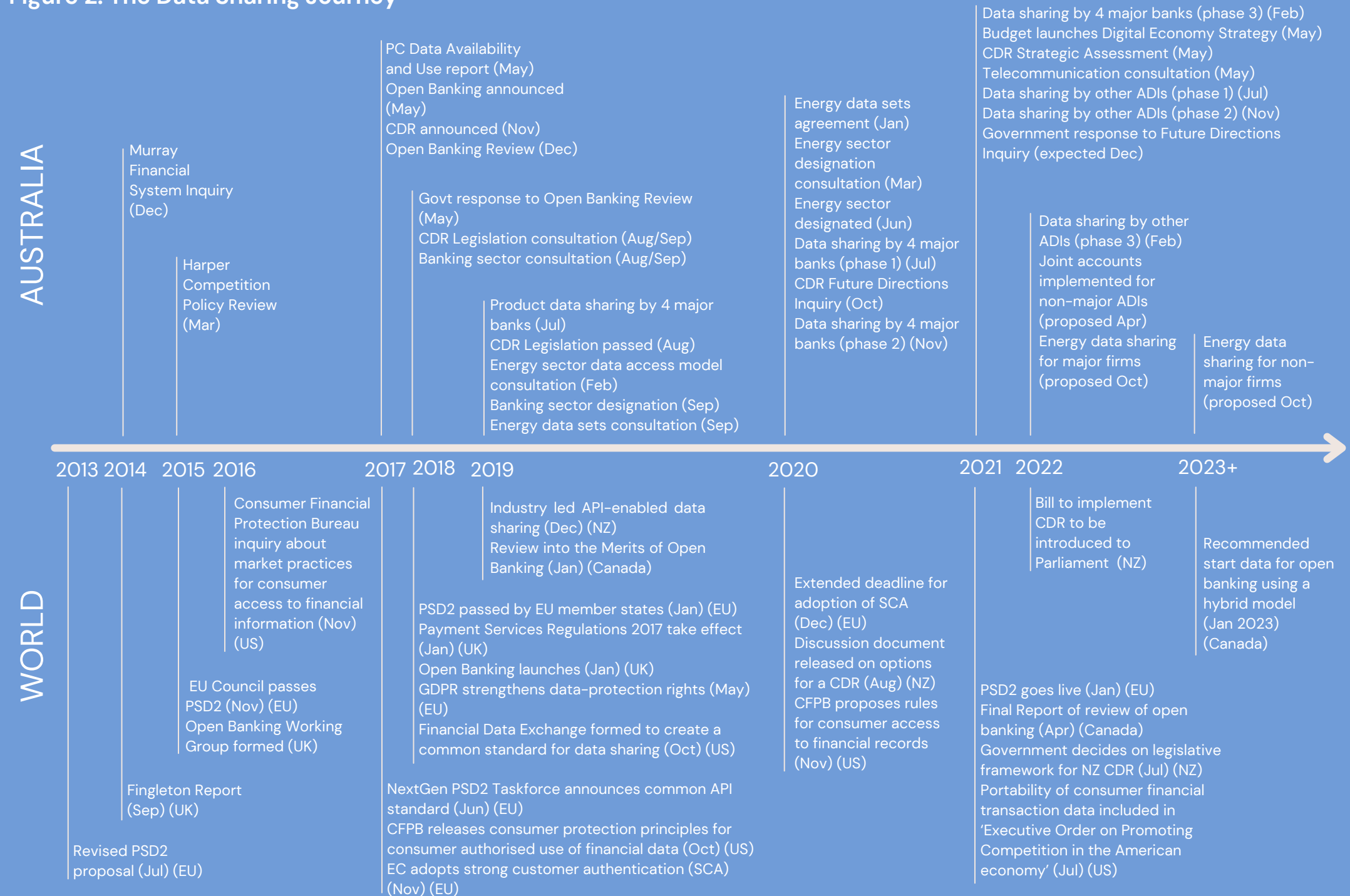
Designation of the sector was followed by consultation on the rules framework for the energy sector in July 2020 and on draft legislation in August 2020. The intention is that consumers will be able to start sharing energy data by October 2022. [23]

## Telecommunications Sector

Telecommunications is the third sector which the government has announced.

Treasury expects the sector to be designated, however a formal sectoral assessment was started by the ACCC in May 2021 as a prelude to designation. The consultation process will determine the datasets and entities to be designated, the rules and standards to be applied to the sector, and the timetable for implementation.

**Figure 2: The Data Sharing Journey**



## 03 POTENTIAL: IMPACT OF CDR ON INDUSTRY SECTOR

Given that CDR is intended to be economy wide, we asked organisations from some of the sectors most immediately impacted or potentially impacted, about the extent to which data sharing under CDR was likely to have a significant impact on their industry sector.

Despite the many barriers people perceive to the development of propositions which deliver value to consumers and business, an overwhelming majority of respondents are expecting their industry to be disrupted by the introduction of CDR.

**77%**  
**significant  
impact**

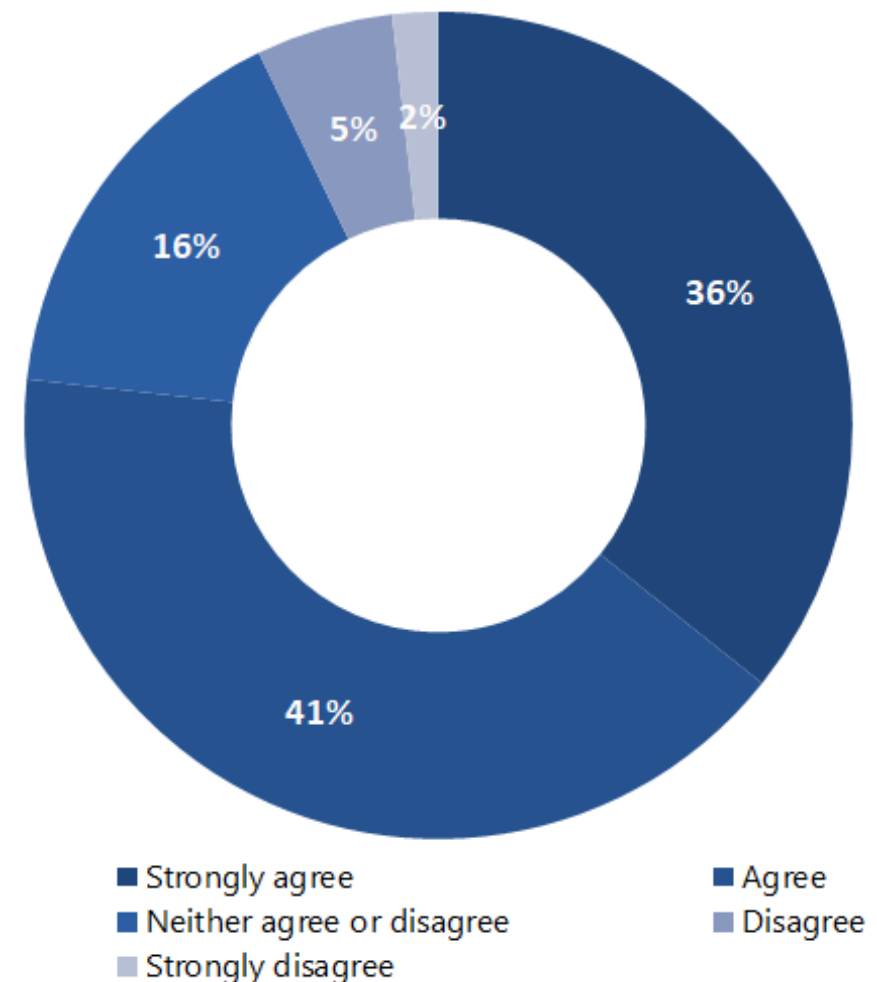
Over three-quarters of respondents **strongly agreed (36%) or agreed (41%)** that CDR will have a significant impact on their industry sector.

One respondent noted that CDR was 'a big step forward'. Another respondent's organisation was 'solely focused on delivering CDR solutions' because they 'strongly believe that the CDR is the future of open data for Australia and globally.'

The implementation of CDR was seen to be disruptive with one bank noting that 'sharing of data will create a level of competition [and] customer switching that hasn't been seen before.'

Another bank noted 'we believe CDR will have a significant impact on the industry with customers being the clear winner.' Like many, their initial focus was just on keeping pace with the regulatory changes. But they saw that CDR provided the potential for them 'to raise our competitiveness.'

Figure 3: CDR is likely to have a significant impact on industry sector



■ Strongly agree  
■ Agree  
■ Neither agree or disagree  
■ Disagree  
■ Strongly disagree

n = 56



A payments organisation believed it would ‘fundamentally change the industry’ but thought this was at least 2 or 3 years away.

These results are consistent with global surveys of open banking. A survey in 2021 noted that ‘while only 13% of all respondents see open banking as having a significant impact on their business in the next 12 months, an additional 72% see the greatest impact between 2 and 5 years.’ [24]

The view that CDR would have a significant impact was not confined to the banking and finance sector. An energy company had ‘No doubt CDR will have significant impacts on the energy industry’. A comparator site noted that ongoing access to customer energy data would be ‘transformational’, adding that the finalisation of the rules for the energy sector was ‘taking way too long’.

## *‘looking ahead to a future state that will enable far greater value generation’*

Others, while agreeing that the current version of CDR would have an impact, thought that the extension of CDR to action initiation and payment initiation was the key to unlocking value delivered to consumers. One noted that ‘payment initiation will have a much bigger impact, and also opens up more opportunities for the sector.’ A common theme was the importance of integrating the extension of CDR to include payments’ initiation with the changes to payments enabled by the New Payments Platform.

One respondent thought CDR should go even further and ‘operate in concert with citizen information rights’, potentially by adding some of the EU’s GDPR requirements to Australia’s CDR.

Despite the concern with the scale of regulatory change organisations are currently grappling with, organisations were ‘looking ahead to a future state that will enable far greater value generation for Australian consumers and businesses.’

**16%**  
**ambivalent**

**One in six** Pulse Check respondents (16%) were **ambivalent** about the potential impact of CDR. These respondents highlighted that CDR ‘still seems in its early stages’ and that it was still ‘too early to tell what impact the CDR and the sharing of data will have’.

One respondent highlighted the network effect – where increased numbers of participants are necessary before CDR can deliver value – and saw this as critical for CDR’s success.

Some respondents questioned how quickly CDR would impact their sector, noting CDR will ‘take a number of years to bed down’ and would have a ‘limited impact’ in the short to medium term for customers. Some acknowledged CDR’s impact could increase with the introduction of action initiation including third party payment capability.

## *‘depends on industry and consumer buy-in’*

A number of respondents also highlighted the importance of consumer participation and awareness for CDR to be impactful, returning to the paradox at the heart of CDR. One noted CDR should have a significant impact on their sector, but with the important caveat that it ‘depended on industry and consumer buy-in’.

## 7% sceptical

Consumer participation was also a key point for the **minority (7%)** who **disagreed or strongly disagreed** that CDR would have an impact at all on their sector.

One bank noted that 'We haven't seen the power of valuable propositions that leverage this data yet' and added that there needed to be more propositions launched which deliver value to consumers to increase consumer awareness and participation before CDR would have an impact on their sector.

Echoing this, one respondent in the payments sector noted 'it's early days with plenty of water to go under the bridge' adding that they were 'unlikely to be an early adopter'.

### *'We haven't seen the power of valuable propositions yet'*

Another bank was scathing, describing CDR as 'poorly considered' from the start, 'unlikely to achieve any cost benefit' and an 'accident waiting to happen'. Not surprisingly that organisation was not planning on becoming an ADR.

The expansion of CDR to enable action initiation will enable further use cases to be developed. This may include intelligent savings with account sweeping between accounts belonging to a person (also referred to as 'me-to-me' payments). [25]

Other use cases revolve around 'better borrowing' or 'smart overdrafts' where available funds are used to repay debt, or debt subject to higher interest rates – e.g. credit card and personal loans – is repaid with funds transferred from an account with a lower interest rate – e.g. a mortgage. A third category of action initiation could involve variable rate payments, enabling organisations to offer 'me-to-business' payments replicating functionality that direct debit services currently offer.

The expansion of CDR from banking to energy, telecommunications, other finance sectors and beyond, will enrich the data available to power new and innovative use cases.







## 04 PREFERENCE: RECEIVING CDR DATA

The ability of organisations to develop use cases is influenced by their ability to access data shared under the CDR.

Recent proposed rule changes expand the way organisations can access CDR data. These additional access models have been developed to reduce the cost of accreditation and 'support new pathways for participation in the CDR'.

Increasing the options for organisations to receive CDR data is expected to increase the number of providers and propositions in the market, provide more avenues for consumers to exercise their data rights and help deliver greater value to consumers. The changes are also expected to enhance the number and variety of use cases for shared data.

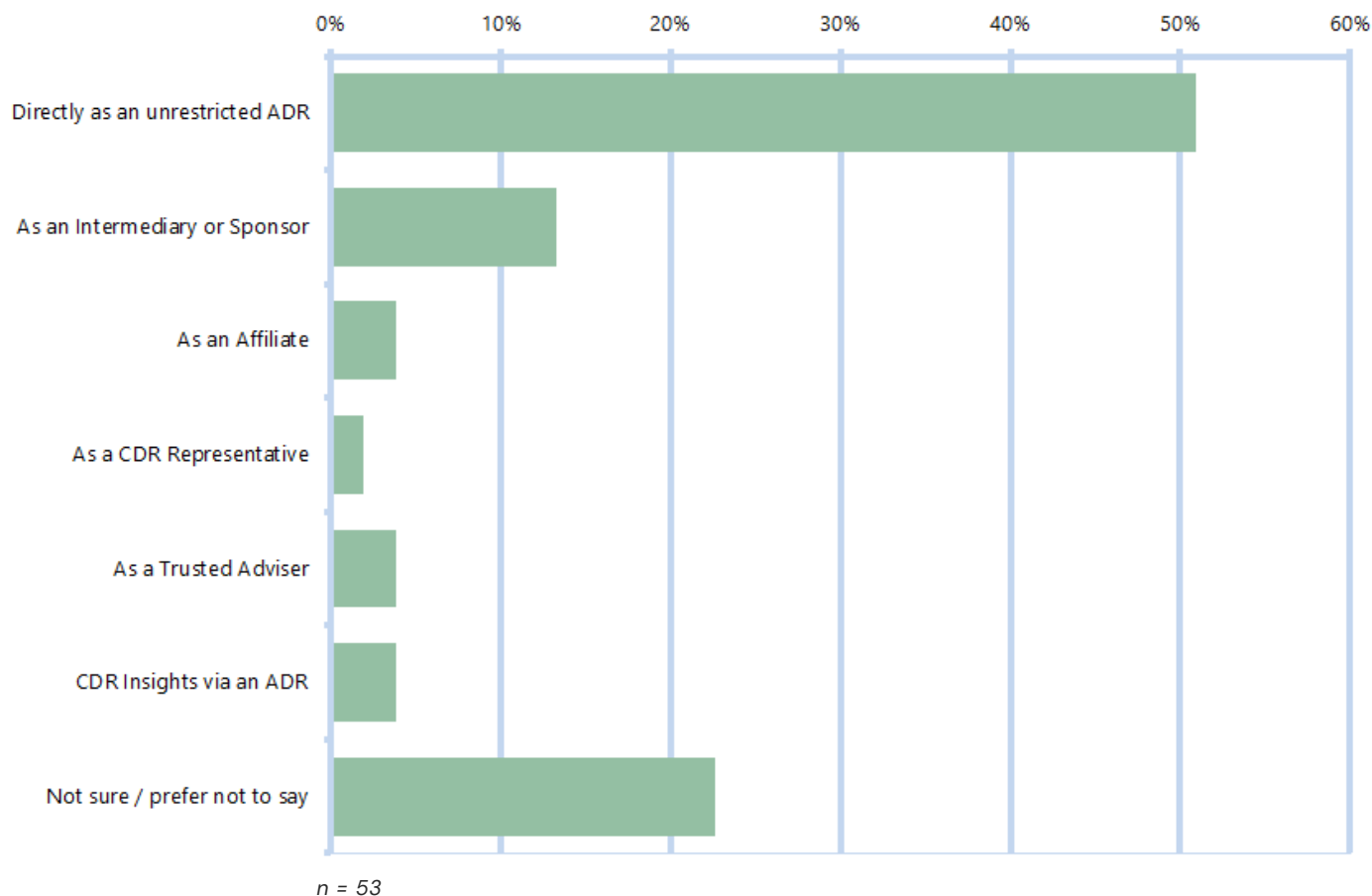
**91%**  
Intend to use  
CDR data

Almost all respondents (91%) were intending to receive CDR data.

We asked these organisations which of the proposed models they would prefer to use to receive CDR data.

All of the proposed models were nominated as the preferred model by some entities. This seems to highlight the potential benefit of creating 'new pathways for participation'. [26]

Figure 5: Preference for how CDR data is received



**51%**  
**Become  
an ADR**

**Becoming an accredited data recipient** and receiving data directly was the preferred way of receiving CDR data for half of respondents (51%) who were intending to receive CDR data.

**13%**  
**Intermediary**

About one in eight (13%) are intending to **become intermediaries** – a broad term that encompasses Sponsors, Outsourced Service Providers and other scenarios where CDR data is passed on to eligible organisations.

One service provider thought that enabling intermediaries, together with banning screen scraping, 'would accelerate [the] uptake of CDR dramatically'.

**13%**  
**Adopt  
alternative  
model**

Another group (13%) were planning to **adopt one of the alternative data access models** and become an Affiliate, a CDR Representative, utilise the Trusted Adviser arrangement or just receive CDR Insights from an ADR.

However, one entity expressed a concern that while the Trusted Adviser and Insights models have potential, they require more refinement to achieve 'workable practicality'.

**23%**  
**Unsure**

A significant group (23%) were still **unsure** how they would receive CDR data.

This reflects perhaps how recently the consultation paper on expanded CDR data access models was released, and the fact that the Rules for these models have not been finalised.

The devil, of course, is in the detail.

One respondent highlighted that they worked with a range of brokers, trusted advisers and technology providers with data flowing to multiple parties in their ecosystem.

With the rule changes expanding the way organisations can access CDR data yet to be finalised, a critical question is how the consent requirements would be managed for end-users in a way that did not cause undue friction during the authorisation process, given that data recipients could include ADRs, authorised representatives, and outsourced service providers.

Another felt that, even with the proposed alternative data access models 'the costs associated with access to CDR data is unreachable by most start-ups and will severely limit market participation'.

It is important to also note that it is possible, perhaps even likely, that the distribution of preferences exhibited in this survey will change once the proposed new models are legislated and organisations start offering sponsorship services to the market.

Treasury is still in the process of reviewing the submissions to the consultation, but based on previous experience with rules finalisation, we expect that the revised Rules are likely to be enacted before the end of the year, possibly as early as October.







## 05 PROGRESS: DELIVERING VALUE

### Data Holders

**The CDR data holder obligations applied to all banks from 1 July 2021. Notwithstanding this, less than 20% of banks met this deadline.**

Almost two thirds (65%) of Authorised Deposit-taking Institutions\* (ADIs) failed to become active as data holders on 1 July 2021 but had not received an exemption from meeting this compliance obligation. The ACCC has published a 'Rectification schedule' which sets out the dates by which these ADIs have said they will comply with their CDR data holder obligations. [27]

For some banks the challenges, anecdotally, appear to have been a combination of technology, budget adequacy, and internal project management. For others, their software providers have not been able to upgrade their systems quickly enough to meet the security and data sharing obligations set out in the CDR standards.

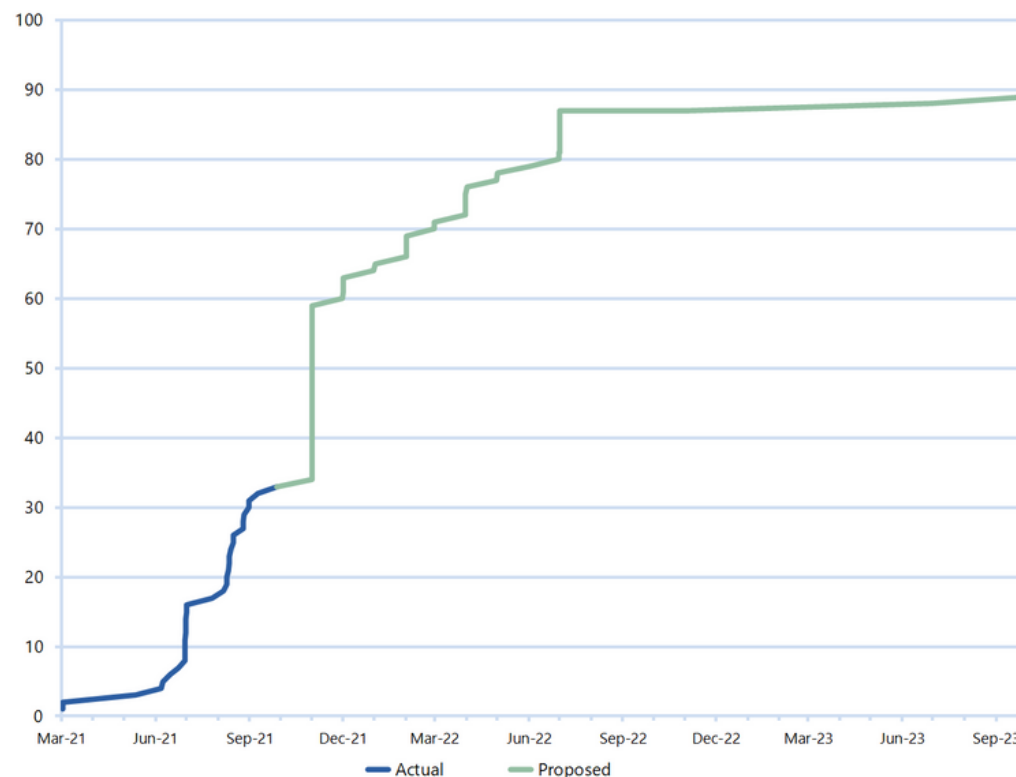
However, since 1 July 2021 the number of banks which are data holders has more than doubled to 33 with over a third of ADIs now active data holders. In addition, these banks operated a further 18 data holder brands bringing to 51 the total number of active data holder ADIs and brands.

The number of banks which are active data holders is expected to almost double again by 1 November 2021. A further twenty-eight organisations have either been given exemptions or are working to meet their compliance obligations by 1 July 2022. [28]

The ACCC has also reminded organisations that it 'reserves the right to take enforcement action to address non-compliance with consumer data sharing obligations.' [29]

\*In this section references to Authorised Deposit-taking Institution's includes the two purchased payment facilities providers entities (PayPal Australia and Wise) and excludes Restricted ADIs (Alex Bank, In1 Bank and Avenue Bank) who are not subject to data sharing obligations.

**Figure 6: Active CDR data holders**



Data as at 29 September 2021. Based on providers rather than brands.

Sources: ACCC, [Current providers](#), accessed 29 Sep 2021; ACCC Rectification Schedule, [Rectification Schedule - ADIs not active on the CDR register](#), last updated 16 Aug 2021, published 18 Aug 2021, accessed 23 Sep 2021; ACCC, [CDR Exemptions Register](#), accessed 23 Sep 2021

## Data Recipients

Although a small number of data holders are active, we have not yet seen the growth of ADRs using CDR data to deliver value to consumers that had been expected.

A CDR survey in November 2020 reported that 58% of respondents stated that they intended to use CDR data within the next twelve months. [30] Now, ten months later it is clear that the reality has fallen significantly below these expectations of less than a year ago.

Even though it's been four years since the release of the Farrell Report on Open Banking and the Productivity Commission's report on Data Availability and Use, and despite open banking and data sharing being live in the European Union (EU) and the United Kingdom (UK) for three years, in Australia, currently just seventeen organisations have been accredited as data recipients and a mere six of these organisations are also active. [31]

### Accredited data recipients

Since July 2021, five new data recipients have become accredited (Fiskil, NAB, Zepto (Split Payments), TrueLayer and Beyond Bank). This brings the total number of **accredited** data recipients that are **not yet active** to eleven, including two that are also data holders.

Amongst the accredited or active data recipients there are just three international organisations, Intuit, Yodlee and TrueLayer. Given the number of third party providers operating in the UK and the EU, this is somewhat surprising.

However, as one respondent to our survey noted 'As an international organisation, there is a challenge in attracting investment to support development against the bespoke and specific requirements of the CDR for a market as small as Australia.'

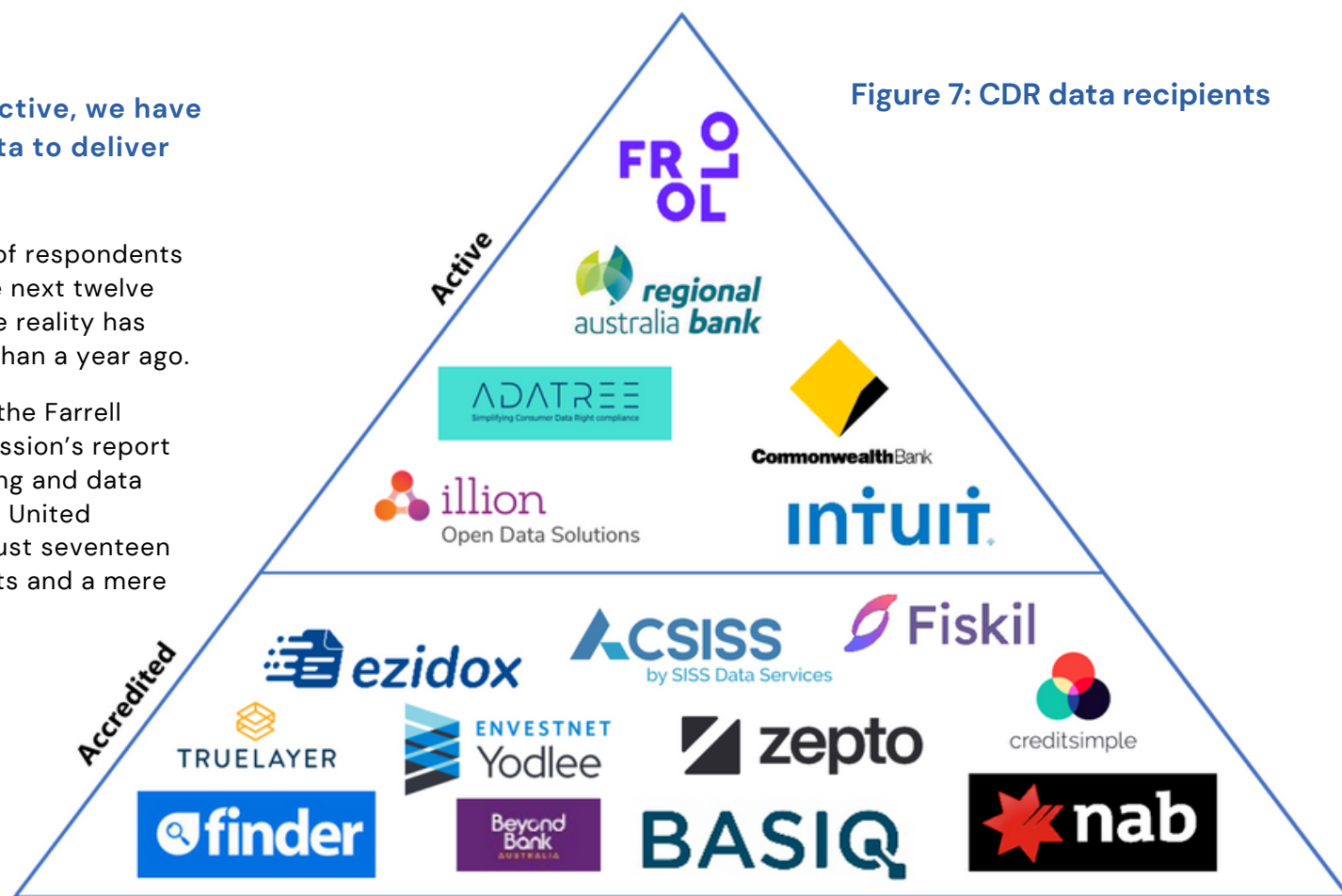


Figure 7: CDR data recipients

Sources: ACCC, [Current providers](#), accessed 29 Sep 2021

### Active data recipients

There are six organisations that are **both accredited and active** as data recipients, with one new addition since Quill Peak's report in July 2021 [32] as an accredited recipient (illion) subsequently became active.

Based on information provided on the CDR Provider website, three entities operate as intermediaries.

One has a B2B platform that provides banks and fintechs with access to customer data (Adatree). Another offers an open banking platform, and a simple personal financial management app for consumers (Frollo). The third is a data aggregator (illion).

One other entity provides financial, accounting, and tax preparation software and related services for small businesses and individuals (Intuit, which has two active brands).

## Build it...

We asked potential ADRs about the stage of development of their main offering or solution which uses CDR data.

Nine out of ten respondents (91%) are considering developing a CDR-enabled offering.

Their responses were spread across the proposition development lifecycle.

Two-thirds (66%) had propositions which are live in market, being built or tested, or in design.

The success of open banking, and in some ways CDR more broadly, hinges on the timely delivery of these propositions to market.

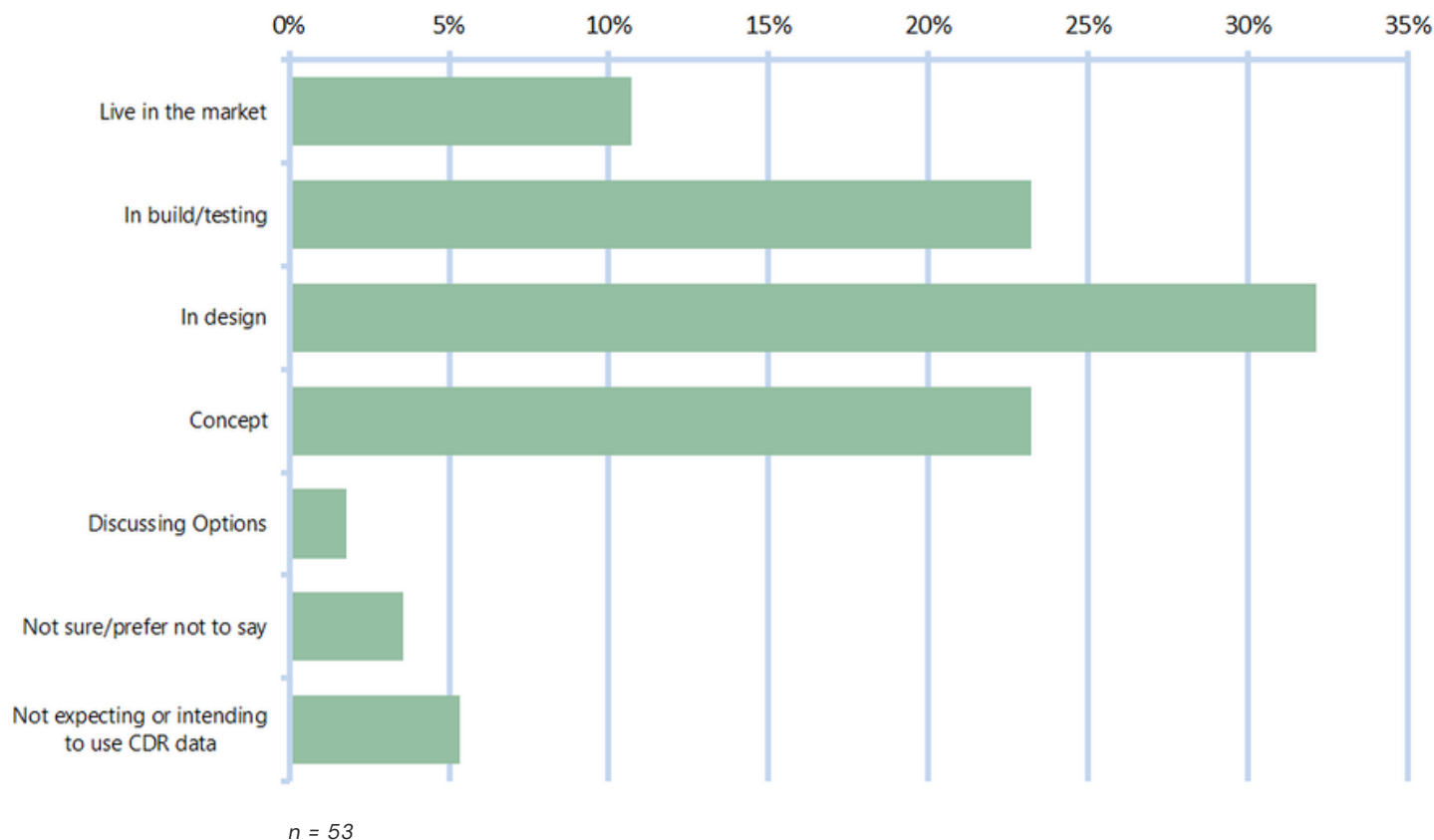
Despite open banking having been announced over three years ago, only two banks – Regional Australia Bank and Commonwealth Bank – are both active accredited data recipients and data holders.

Regional Australia Bank is using CDR data to improve their customers' experiences in applying for loans – they use CDR data to streamline expense verification and affordability assessments.

CBA provides a limited account aggregation offering. [33]

Two other banks, National Australia Bank and Beyond Bank, were accredited as data recipients in September 2021, but were not yet active when this report was finalised.

Figure 8: Stage of development of main offering or solution which uses CDR data



**11%**  
**Live in the  
market**

Just over a tenth of organisations (11%) indicated that their offering was already **live in the market**. Unsurprisingly, at this early stage, our survey highlighted that CDR data enabled offerings which are live in the market are currently dominated by organisations providing Open Data as a Service (ODaaS), including open data platforms and data services, rather than propositions for consumers and businesses.

**23%**  
**Build /  
testing**

Just under a quarter (23%) of respondents are currently **building or testing offerings** and have not yet brought them to market. Half of these entities also are technology providers and credit and data analytics service providers. Notably, few banks have propositions being built and tested, with the majority (60%) still in design or concept stage.

**32%**  
**In design**

The largest group of organisations (32%) are still in the process of **designing propositions** using CDR data, including a third of the banks who responded and half of the organisations from other sectors.

Given that a number of banks are still on the journey to meeting their data holder obligations, it is pleasing that a number are at least in the process of also designing CDR-enabled propositions. Some of the suppliers working with these organisations have indicated that more propositions will be delivered over the next six months.

**25%**  
**Concepts  
or  
Discussing  
options**

A quarter of respondents are still **working on concepts** or **discussing options** (25%) for CDR driven propositions but have not started designing their solutions. This includes half of the respondents who are in the finance sector but not banks. While these organisations have not been designated under CDR, they could potentially use banking CDR data to enhance their propositions.

In fact, the majority of all value propositions (55%) remain just as concepts or in design across all categories of respondents – finance, service providers and other sectors. This is expected for the energy and telecommunications sectors, where data sharing is at least 12 months away. It is also unsurprising for sectors like insurance and superannuation for which there has only been speculation, albeit by the Minister responsible for CDR, that these sectors could be designated.

**9%**  
**Unsure or  
Not planning to  
use CDR data**

Just 9% of respondents were **not expecting or intending to use CDR data** at all or were still **unsure**. These organisations were predominantly from the payments sector. This may reflect the fact that action initiation ('write access') including payment initiation does not yet form part of Australia's CDR. In other countries, payments-based use cases are a key part of their open banking environment. The potential to accelerate the adoption of payment initiation, and action initiation more broadly, was a common element of submissions to the Farrell Review on Future Directions for the Consumer Data Right, and a recommendation from that review.





## ...and they will come?

In reality, there are probably many more organisations, including many of those who did not respond to this Pulse Check, whose CDR-enabled propositions are still at the concept level or who are still discussing options.

Only a limited number of responses were received from telecommunication companies, electricity retailers and organisations in other sectors that are yet to be designated, such as superannuation and insurance. Organisations in these sectors are likely to still be considering options as they consider whether their sector will be designated, what impact it may have, and which data recipient model to adopt.

Similarly, the proportion of organisations that are not expecting or intending to use CDR data is also likely to be understated. Organisations that are in these categories are more likely to have not responded to the survey.

As Australia's CDR is rolled out economy wide, combining product information required under CDR with customer transaction data, organisations can help customers find better deals. When action initiation is included, organisations can go one step further and facilitate switching.

The time to market for propositions will vary depending on whether organisations are seeking to become unrestricted ADRs, or are looking to leverage intermediaries as either Sponsored ADRs, or CDR Representatives.

Becoming an unrestricted ADR is likely to take significantly longer due to the audit and other accreditation requirements organisations must meet, delaying when organisations can actually start receiving customer data.

Becoming a CDR Representative is expected to be a relatively quicker path to market, particularly for organisations that build solutions using pre-packaged infrastructure that is already known to meet the information security requirements.

But the time to start building these propositions is now. As one organisation has noted the **growth in ADRs is likely to happen 'in a blink of an eye!'**

## The ABCs of the CDR

<b>ACCC</b>	Australian Competition and Consumer Commission
<b>ADI</b>	Authorised Deposit-taking Institution
<b>ADR</b>	Accredited Data Recipient
<b>AEMO</b>	Australian Energy Market Operator
<b>AP</b>	Accredited Person
<b>API</b>	Application Programming Interface
<b>AISP</b>	Account Information Service Provider (EU and UK)
<b>CDR</b>	Consumer Data Right
<b>CFPB</b>	Consumer Financial Protection Bureau (US)
<b>CMA</b>	Competition and Markets Authority (UK)
<b>CTS</b>	Conformance Test Suite
<b>DH</b>	Data Holder
<b>DRA</b>	Data Recipient Accreditor
<b>DSB</b>	Data Standards Body
<b>FDX</b>	Financial Data Exchange (US)
<b>GDPR</b>	General Data Protection Regulation (EU)
<b>OAIC</b>	Office of the Australian Information Commissioner
<b>OBaaS</b>	Open Banking as a Service
<b>OBIE</b>	Open Banking Implementation Entity (UK)
<b>ODaaS</b>	Open Data as a Service
<b>OSP</b>	Outsourced Service Provider
<b>PISP</b>	Payment Information Service Provider (EU and UK)
<b>PPF</b>	Purchased Payment Facility
<b>PSD2</b>	Second Payments Systems Directive (EU)
<b>PSR 2017</b>	Payment Services Regulations 2017 (UK)
<b>SCA</b>	Strong customer authentication
<b>TPP</b>	Third Party Provider (UK)

## What's happened elsewhere?

### What has been surprising is what we have not yet seen in Australia.

A comparison with the UK experience here is useful. Twelve months after the introduction of open banking in the UK, account aggregation was the main open banking enabled product offered by the CMA9 banks. Other live use cases included personal financial managers, SME financial management and open banking as a service. [34]

Use cases being tested included consumer lending, SME lending, debt advice and credit file enhancement as well as propositions dependent on action initiation such as automated overdraft borrowing and e-commerce payments.

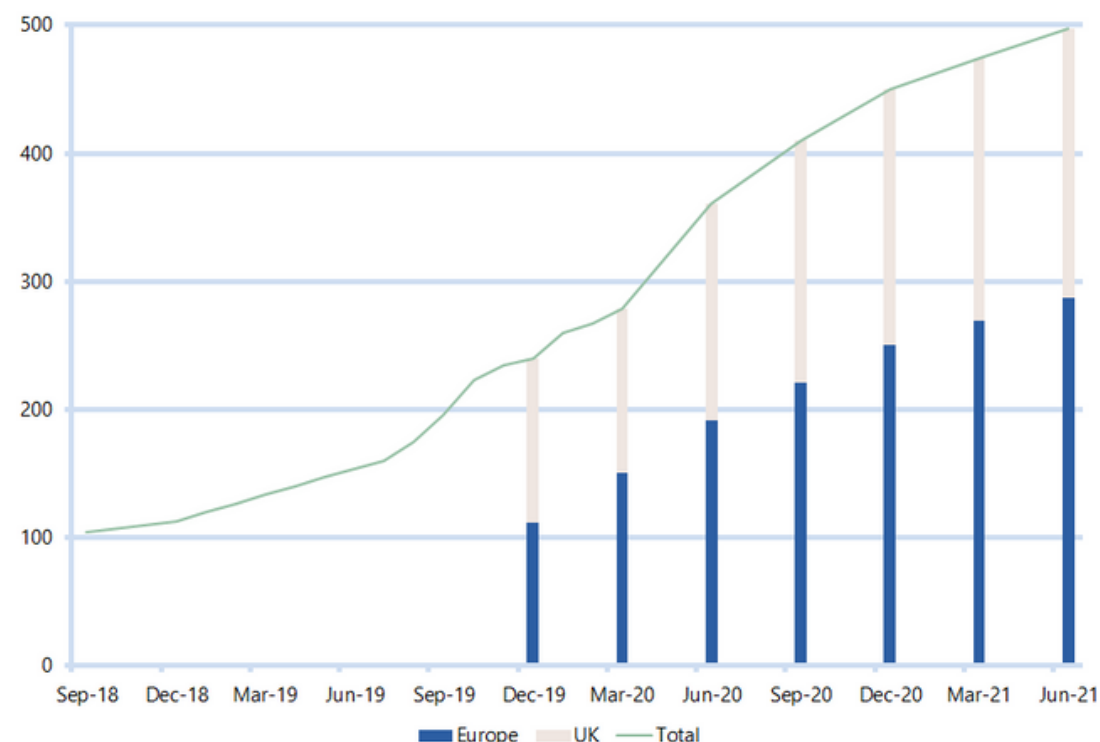
These were offered by CMA 9 banks (e.g. Barclays, Lloyds and NatWest), fintechs (e.g. Yolt, Moneyhub), accounting service providers (e.g. Xero, FreeAgent), and technology service providers (e.g. Intuit, Sage, TrueLayer, OpenWrks, Token, Yapily, SaltEdge.)

Account aggregation offerings make it easier for customers to view their accounts from different banks in one place. It enables personal financial management offerings and can replace the controversial practice of screen scraping (or consumer-permissioned data sharing as it is referred to by its proponents).

Yet surprisingly few banks have launched this service in Australia. The only ones to do so are the two banks which are both data holders and ADRs. Regional Australia Bank's offering is intended to help customers become familiar with CDR-enabled data sharing. CBA's offering allows customer to view account balances from certain other banks.

The UK's review highlighted that only a limited number of firms, and none of the major price comparison websites, provided product comparison services using open banking information. [35] The same situation has occurred in Australia with none of the major price comparison websites being active data recipients and only Hive (Finder) being an accredited (but not active) data recipient at the end of September. [36]

**Figure 9: Third Party Providers registered with a National Competent Authority in Europe**



Source: Vocalink Open Banking tracker (Q4 2019 to Q2 2021)

The low level of ADRs in Australia contrasts with the number of third party providers (TPPs) in the EU and the UK which has grown at 80% per annum over the last two years to 497 at the end of June 2021. [37]

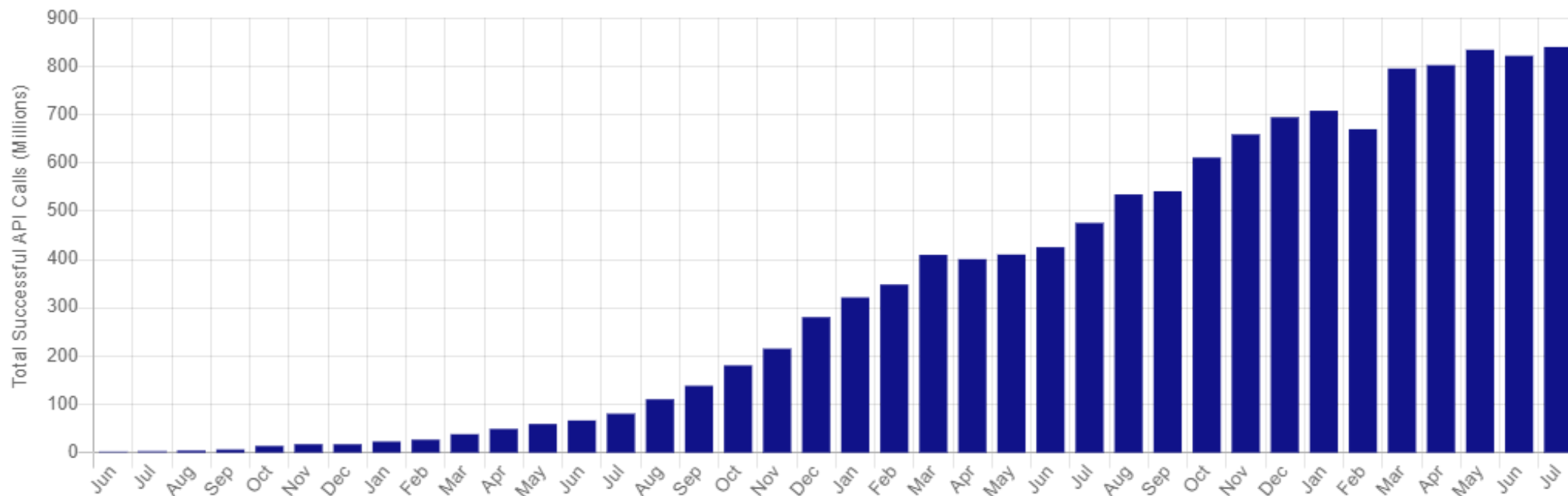
Of these TPPs, 94% were able to provide account information services and over half (52%) were registered to provide payment initiation services. [38]

As at July 2021 the UK OBIE reported that 114 entities (just over half of the 200 registered entities) had at least one proposition live with customers. [39]

The growth in third party providers in the UK has also, not unexpectedly, resulted in significant growth in API call volumes. The ACCC has not yet released information on API calls in Australia – a somewhat ironic stance for an initiative focused on open data. The numbers are likely to be low reflecting both the small number of active ADRs and the fact that a number of banks missed their data holder deadlines or have received exemptions.

However, Australia’s experience is likely to follow that of the UK where API call volumes were low over the first 12 months of open banking, but have doubled over the last 12 months.

**Figure 10: Total successful API calls (UK)**



Source: Open Banking Implementation Entity, [API Performance Stats](#), Successful API calls, July 2021, accessed 29 September 2021



## What new propositions might we see as CDR progresses?

**The pandemic over the last two years has accelerated the digital transformation of many organisations. Data sharing through CDR has the potential to amplify and accelerate this digital transformation.**

Building on a foundation of trust, data sharing has the potential to improve consumers' experience with applying for, or changing products and services. It allows organisations to provide personalised, tailored experiences for consumers.

We can draw inspiration from the UK and other markets when considering what new CDR-enabled propositions we might see in future that deliver benefits to consumers, small businesses and to the organisations making use of CDR data to find new sources of value and deliver improved customer experiences.

The CDR propositions framework below (refer Figure 11) sets out a broad set of opportunities informed by the open data propositions that are live in market today in other countries.

In addition to unlocking customer benefits by enhancing customer experiences and delivering greater value, data sharing also provides organisations with an opportunity to improve process efficiency, reduce costs and create new revenue streams.

This framework is not intended to be exhaustive in identifying possible CDR use cases: new use cases and propositions are appearing on a frequent basis and the long-term vision of CDR as a cross-industry regime, if fully realised, has the potential to enable many more new customer propositions that we may not yet be able to imagine.

**“It’s about moving beyond customer service and delivering more rewarding experiences and better outcomes that will build a deeper, more trusted relationships with our customers”**

**Matt Comyn, CBA Chief Executive [40]**



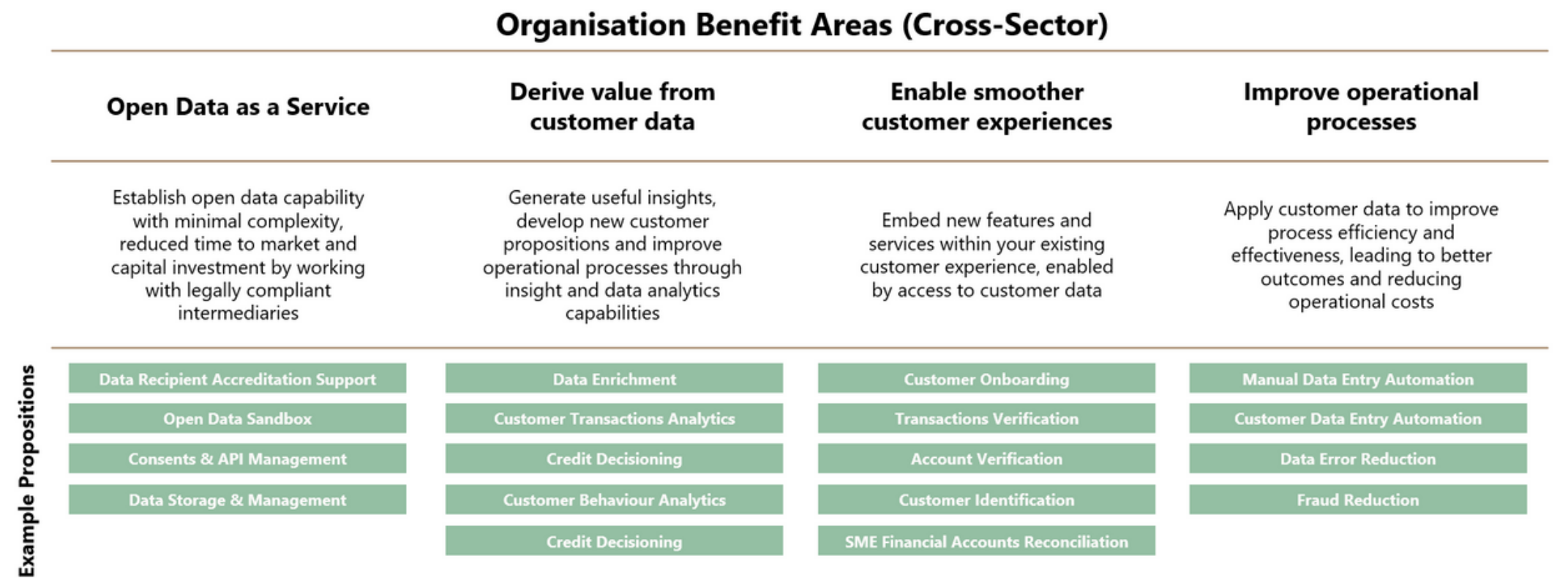
Figure 11A: CDR Propositions Framework – Consumer & SME

Customer Benefit Areas (Consumer & SME)

Example Propositions	Make better decisions	Borrow more easily and safely	Access convenient advice and support	Save more easily and invest smarter	More ways to pay, that suit you	Get the best deals and switch easily
	Gain better understanding of your finances and the services you use, making it easier to take action and improve your situation	Access credit on better terms more easily, with the confidence and support to help you manage debt	Get advice and support where and when you need it, personalised to your context	Find ways to save money and make the most of your savings through smart investment tools and products	More choice in how you pay, giving you greater control, convenience, security and lower costs	Compare products and services more easily, and access and switch to the best deals seamlessly
	Personal Financial Management	Consumer Lending	Financial Advice	Micro Savings & Investment	Request to Pay	Product Comparison
	Income & Expense Analysis	Affordable Credit	Roboadvice	Account Sweeping	Bill Payments	Bill Comparison and Switching
	SME Financial Management	Automatic Overdraft Lending	Vulnerable Customer Support	Saving & Investment Guidance	International Payments	Subscription Management
	Energy Usage Management	SME Invoice Financing	Debt Advice	Superannuation Fee & Performance Analysis	Peer 2 Peer Payments	Insurance Cover Management
	SME Telco Usage Management	SME Asset Financing	Tax Advice	Super Account Consolidation	Ecommerce Payments	
		Alternative SME Financing	SME Cashflow Management		Fraud Protection	
		Solar Energy Financing	Insurance Cover Advice		Loyalty & Rewards	
<div><div></div> Does not require action / payment initiation<div></div> Requires action / payment initiation<div></div> May require action / payment initiation</div>						

Source: Studioworks

Figure 11B: CDR Propositions Framework – Organisations



Source: Studioworks

While in this survey we haven’t explored the specific propositions that respondents’ organisations are currently developing – this will form part of a subsequent survey – we can infer from the results that some of the most exciting new propositions soon to arrive in market will come from challengers and non-banks.

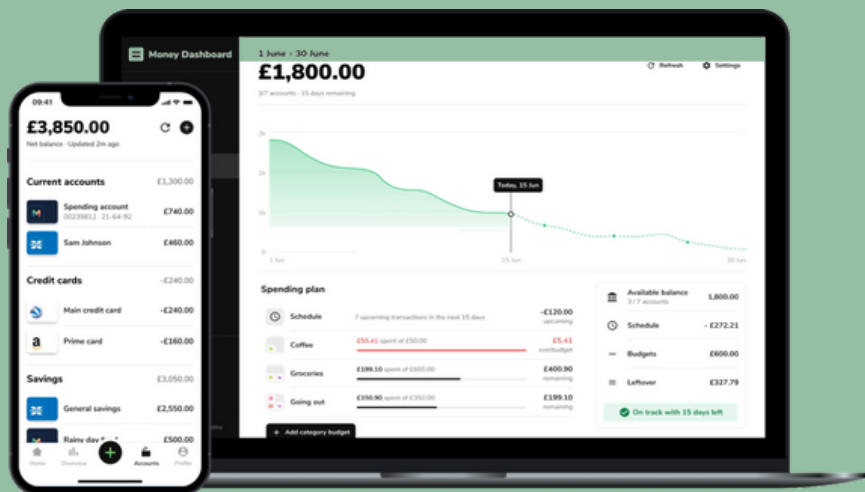
Of the 55% of our survey respondents with CDR propositions currently ‘in design’ or ‘in build / testing’, almost three-quarters of those (71%) were non-banks, including several price comparison groups, fintechs and technology and data providers.

We should also recognise the importance of action initiation being included in Australia’s CDR. Many of the most compelling propositions in our framework are dependent on this capability.

This was echoed in the comments from a number of respondents. They stressed the importance of extending Australia’s CDR to include action initiation, including payment initiation, believing it would ‘enable far greater value generation’ and have a ‘much bigger impact’ on consumer participation in data sharing under CDR.

This also mirrors the experience in the EU and the UK, where over half (52%) of the Third Party Providers (TPPs) are registered to provide payment initiation services. [41]

## Open Data Proposition Examples from Overseas



## Money Dashboard

Money Dashboard enables its users to aggregate their financial accounts into one interface and access free personal financial management tools to help them make the most of their money. Users can see their bills and subscriptions in one place, track spending across categories and set budgets against spend categories.

Money Dashboard launched in 2009, originally requiring customers to share their credentials for their financial accounts and since 2019 has enabled its customers to securely and conveniently connect to their financial accounts with other providers using open banking APIs.

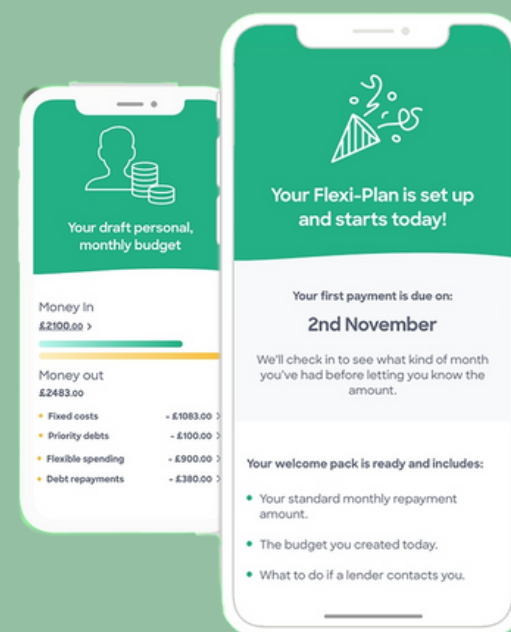
Money Dashboard makes money by selling aggregated and anonymised consumer spend insights to B2B clients, and commissions on products and services promoted to its customers.

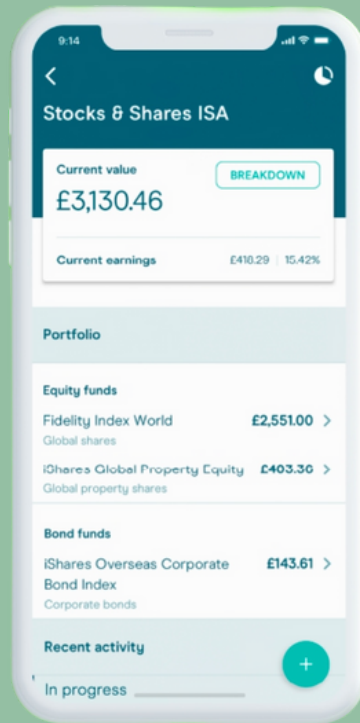
## Openwrks

OpenWrks offers open banking applications globally to organisations and consumers.

Its MyBudget proposition is used by financial services companies, the public sector, and utilities to help people understand what they can afford to borrow, repay, save, and invest by using open data.

OpenWrks' consumer-facing app, Tully, provides regulated debt advice and helps consumers build a budget and understand their financial situation.





## Moneybox

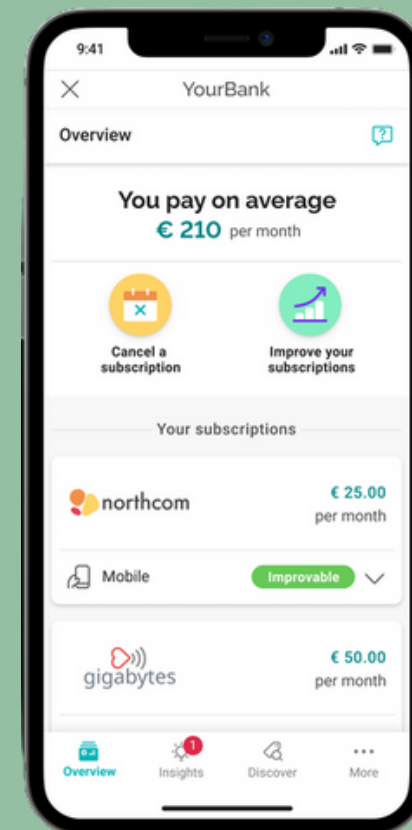
Moneybox enables users to round up purchases, with the excess going into an investment account. It uses open banking to monitor transactions in a customer's account and transfers the round-ups to an investment offering. Payments initiation capability is an essential component of the solution.

Account sweeping apps are also in development that will optimise a customer's earned interest by automatically moving money from transaction accounts to high-interest earning accounts.

## Minna

Minna enables customers to manage subscription services via their existing bank's app. Customers can terminate subscriptions from within their banking app, automatically, cutting the data and financial ties between the merchant and customer.

Minna can also notify customers when a free trial subscription is about to end and facilitates utilities switching, helping customers to find better deals.







## NatWest Housemate

Natwest launched its Housemate app for shared house renters in the UK in August 2021. The app uses open banking to enable shared housemates to stay on top of shared expenses and bills, with automated reminders and easily split bills. Users also benefit from their rent payments that are tracked through the app contributing towards their credit history, valuable at the stage they are ready to apply for a mortgage to buy their own home.

## Tink

Tink is a European open banking platform that enables banks, payment processors, payments service providers and fintechs to access customer financial data to verify income and identify risks, build personal financial management propositions and provide payment initiation services.

Tink was acquired by Visa in June 2021.

## Build the future of financial services

Access a broad range of high-quality financial data from banks across Europe through a single API. So you can provide smart financial services – or engaging new customer experiences.

## 06 PROBLEMS: BARRIERS TO CDR-ENABLED PROPOSITIONS

On November 2020, 58% of banks, lenders, fintechs, brokers and aggregators responding to an open banking survey were expecting to use CDR data within the next twelve months. [42]

However, with just six active data recipients at September 2021, this early optimism has had a reality check.

The barriers to getting CDR propositions to market have evidently proved more onerous than expected.






So what are the barriers organisations have encountered? And what lessons are there for the sectors which follow banking and are designated under the CDR?

**We asked organisations what they saw as the primary barriers which could prevent them bringing their CDR-enabled propositions to market.**

The first thing that stands out from the responses is that organisations have nominated a range of factors as one of their 'top 3' barriers to developing CDR propositions.

Just 4% of respondents indicated that they had not experienced any barriers to their CDR proposition – many of these entities in fact had live propositions in the market.

### Top 5 barriers to CDR proposition development (index score)

	Lack of customer demand for CDR-enabled products and services	54
	Budgets reduced or reallocated to higher priority projects	52
	Regulations and Standards changing too frequently	37
	Difficulties in meeting consent requirements	21
	Shortage of qualified staff	20

The responses also highlight a second insight – the paradox at the heart of Australia’s CDR: Organisations are not building propositions which deliver value to consumers because of a perception of a lack of customer demand. Customers are not demanding to share data using CDR because of the lack of valuable propositions enabled by data sharing.

**43%** **Lack of customer demand** for CDR-enabled products and services was identified as one of the top three barriers by over two-fifths of organisations (43%). Of these, half nominated it as the **most important barrier** they faced.

A respondent in the energy sector emphasised a truism that applies to all sectors: ‘Key value pools will need to be identified to drive adoption’.

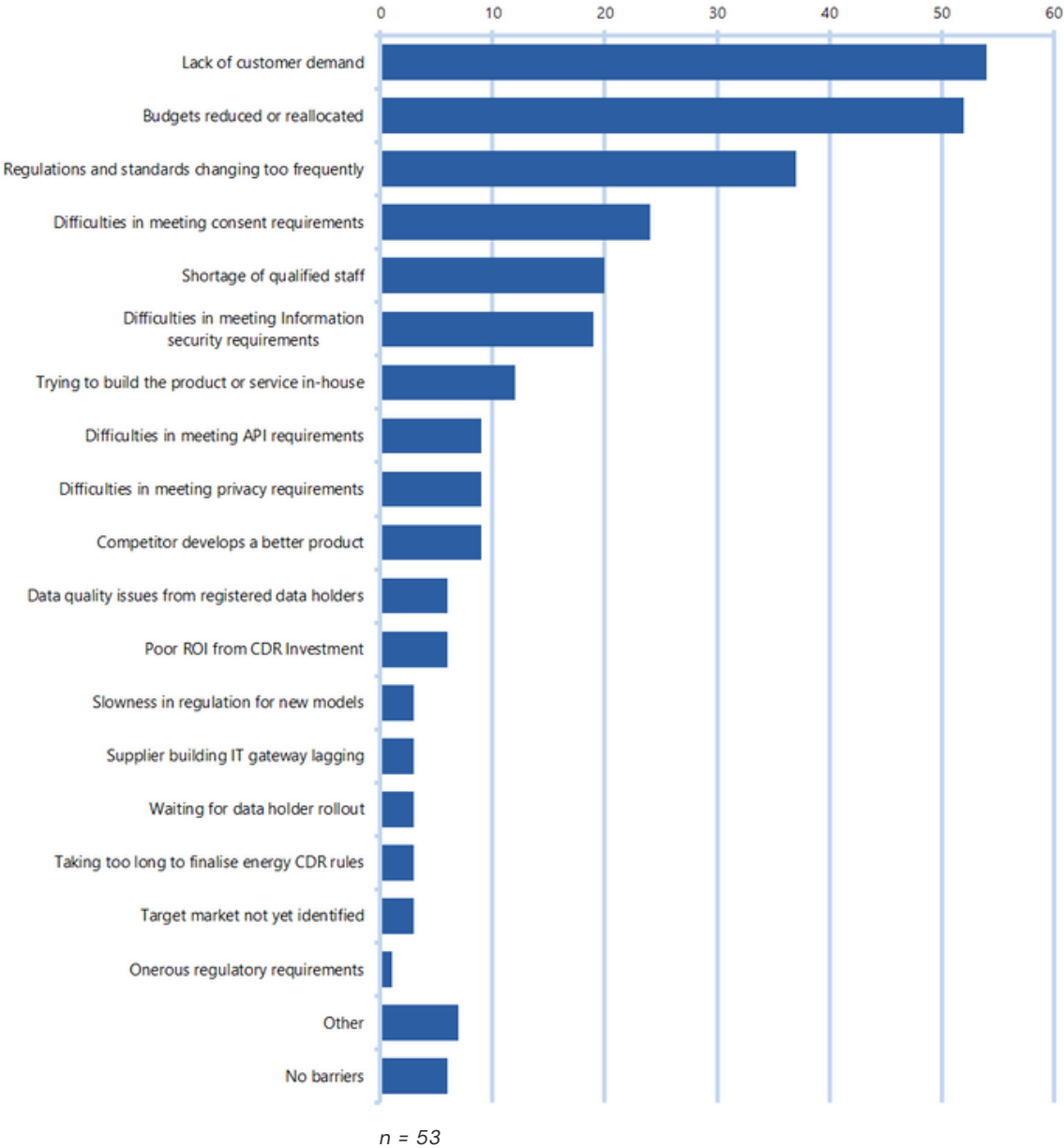
The UK’s experience with customer demand may also have dampened some enthusiasm in Australia.

In 2018, a year after the roll out of open banking in the UK, a report by PwC predicted that as many as 33 million UK customers would sign up to open banking services by 2022. [43]

The reality has fallen a long way short of this. In January 2021 there were just 3 million open banking users [44] with little prospect of achieving what is likely to prove to have been an overly-optimistic forecast. And that’s with the UK’s version of open banking allowing payment initiation.

*‘Key value pools will need to be identified to drive adoption’.*

Figure 12: Index of perceived barriers to CDR-enabled propositions



Note: Respondents were able to select three responses in order of importance. We have calculated an index of perceived barriers to CDR-enabled propositions by weighting the survey responses assigning ‘3’ to the most important barrier and ‘1’ to the third most important barrier nominated.

# 45%

The barrier **nominated by the most respondents** (45%), was that **budgets had been reduced or reallocated** to other higher priority projects.

Somewhat surprisingly, there was no significant correlation between those organisations who cited lack of customer demand as a barrier and those who noted that budgets had been reduced or reallocated.

One organisation commented that ‘unbudgeted expenses have become the norm the further into the mandated CDR [the] project progresses’. One mutual bank expressed concern that the cost of meeting the CDR requirements could mean that potential challenger organisations ‘won’t have the resources to compete and the desired increased competition will not eventuate’.

International organisations face a decision on whether to invest in developing propositions for the Australian market with its specific CDR requirements or invest in more developed data sharing markets such as the EU and UK. The Inquiry into Future Directions for the Consumer Data Right considered that the use of open international standards was important for the future direction of the CDR. It recommended that ‘Open international standards should be used as a starting point for Consumer Data Right rules and standards where available and appropriate.’ [45]

However, one international respondent cautioned that these aspirations are not being met. It noted that its investments in proprietary API’s for the EU and UK meant that these could also be used in other markets such as North America and noted that the return on investments in these markets dwarfed the return that would come from investing to meet Australia’s specific CDR requirements.

***‘Whilst greater access to choice can be powerful, consumers are looking for simplicity and ease of use’.***

# 32%

**Frequent changes to the CDR regulatory framework** were perceived as the third primary barrier, nominated by almost a third of respondents (32%).

People expressed concern with the overall complexity of the CDR regulatory framework, the breadth and scale of the requirements, and the rate at which they have changed.

While acknowledging the positive benefits CDR is intended to bring to consumers, one respondent was concerned that CDR was ‘A significant regulatory change which ... is bordering on [a] breadth and scale which will make it difficult to implement.’

Another respondent, from the energy sector, was concerned that ‘Complexity of regulatory requirements will be a key inhibitor’ to organisations engaging with the CDR and developing propositions that deliver value to consumers.

Some noted that the CDR changes were following other sectoral changes, including power of choice in the energy sector and number portability and consumer protection codes in the telecommunication sector. They felt that CDR designation simply added to complexity and the regulatory impost for these sectors.

And while regulatory complexity can inhibit organisations developing CDR-enabled propositions, if consumers also see CDR-enabled data sharing as too complex – which is a risk that could arise as a result of the complex consent requirements resulting from the expanded range of CDR participants – they could also be deterred from engaging.

Ironically, while seeing frequent changes to the CDR regulatory framework as a barrier to use case development, a number of organisations commented that the adoption of action initiation, which obviously would require further changes to the CDR regulatory framework, was important for bringing CDR-enabled use cases to market.



In responding to the complexity and changing regulatory requirements organisations have encountered shortages of qualified staff and supplier delays in building compliant IT solutions.

**25%** A quarter of organisations (25%) highlighted that **shortages of qualified staff** were a barrier to bringing their CDR-enabled propositions to market. This is likely to have been exacerbated by COVID restrictions on immigration and mobility across Australia.

Some of these organisations may be reconsidering – and perhaps regretting – their decision to build rather than buy or partner when upgrading their IT systems to meet their CDR compliance obligations and use data shared through CDR to deliver propositions to consumers.

Thirteen per cent of organisations (13%) stated that the **decision to build a CDR solution in-house** rather than buy or partner had become a barrier to developing CDR-enabled propositions for consumers. Given that a third of organisations are reported to have decided to build and manage their own technology, [46] this would suggest half of those have encountered hurdles as a result of that decision.

One organisation noted that it had had to work with a third party to complete their testing, commented that they could ‘see the potential’ of partnering with fintechs ‘to progress from data sharing to becoming a data recipient’ as part of their growth strategy.

However using an external organisation has not always been a panacea. Another organisation, a mutual bank, noted that supplier delays had been one of its primary barriers.

A number of organisations, including some technology providers of CDR solutions, have belatedly realised the complexity of meeting the CDR requirements. This has been a contributing factor to the number of ADIs which failed to meet their data holder obligations from 1 July 2021.

Whether they have built, bought or partnered, organisations have also faced a range of other challenges meeting the requirements set out in the CDR regulatory framework:

- 18%** challenges meeting information security requirements
- 14%** challenges meeting consent requirements – with most of these entities noting it was the most important barrier they faced.
- 9%** challenges meeting privacy requirements; and
- 7%** challenges meeting API requirements.

Of some concern, almost one in ten respondents nominated **data quality issues from registered data holders** or delays in the data holders being active as one of their top three barriers. Respondents noted that ‘data provided via CDR is incomplete’ and ‘missing key data’.

Others questioned the return on investments from building CDR-enabled propositions, noting that ‘becoming an ADR was expensive.’

Collectively these challenges appear to have contributed to a retreat to a compliance mindset. One respondent noted that banks’ focus on their data sharing obligations ‘has taken up considerable resources, focus and funding.’ Reduced budgets have been prioritised on ensuring organisations can meet their compliance obligations as data holders, and have curtailed the development of propositions using CDR data which deliver value to consumers.

## Lessons

Three lessons stand out for organisations that are intending to develop propositions using CDR data.

- 1** Make sure your budget is adequate to cover both meeting your compliance obligations and building propositions that deliver value. For data holders, don't just think about 'data out' (your compliance obligations as a data holder). Focus on the opportunity presented by 'data in' (the opportunities to add value from receiving data, potentially from multiple sectors). This will require clarity on the business problem or customer problem that your CDR use case is solving.
- 2** Become familiar with and stay engaged with the CDR legislative process. Organisations in sectors like energy and telecommunications should already be thinking about both opportunities and threats that shared data presents as well as how they will meet their compliance obligations based on the experience of banking and the consultation papers that have already been issued.
- 3** Start the build, buy or partner assessment. Do a stocktake of your current capability and resources to help support this decision, recognising that a number of those who have tried to build a CDR compliant system and propositions in house are reporting both challenges from adopting this approach and a shortage of skilled staff to implement the change program.

***'Compliance [with] data sharing obligations has taken up considerable resources, focus and funding.'***

***'CDR will have a significant impact on the industry with customers being the clear winner.'***

***'We can certainly see the potential of partnering with [fintechs and technology providers] to progress from data sharing to becoming a data recipient as part of our growth strategy.'***





# CDR: AN ECONOMY-WIDE VISION

The 2021-22 Federal Budget saw the launch of the 'Digital Economy Strategy 2030' and included additional funding to accelerate the economy-wide rollout of the CDR. Treasury is considering adopting a 'life journey' approach and intends that 'a new sector will be assessed and designated every year'. [47]

In July 2021 the government commenced a three-month Strategic Assessment to identify datasets and sectors 'that would have the most value to improved consumer decision making and significant events' and obtain input on the prioritisation of datasets and sectors.

The Strategic Assessment consultation paper identifies a range of potential sectors for further expansion of the CDR with an interest in the emergence of cross-sectoral uses of CDR data:

Open Finance	Superannuation	Non-bank Lenders	General Insurance	Health Insurance
Digital & Data Sectors	Loyalty Schemes	Digital Platforms		
Other Sectors	Groceries	Transport	Agriculture	
Government	Education	Health	Other Government	

Source: adapted from The Australian Government, the Treasury, Implementation of an economy-wide Consumer Data Right, Strategic Assessment Consultation Paper

The inclusion of superannuation, non-bank lenders, general insurance and health insurance, would enable Australia to move to Open Finance, which is consistent with the evolution of open banking globally.

The ACCC has already undertaken detailed, and at times scathing, reviews of loyalty schemes and digital platforms which could enable these sectors to be fast-tracked for CDR designation.

Other sectors noted in the assessment include groceries, which is subject to similar market concentration characteristics of the sectors already designated, as well as transport and agriculture.

Interestingly, the consultation paper has also nominated education, health and other government services as potential sectors into which data sharing could be extended.





## 07 NEXT STEPS

"It's easy to stick with what has worked in the past, waiting for the open banking trend to 'go mainstream'. With change happening so quickly, being a 'fast follower' will likely result in lost opportunities."

The Financial Brand [48]

Australia claims to have one of the leading data portability frameworks in the world. [49] From the outset consumer-controlled data sharing has been seen as something that could be adopted economy-wide, anticipating the expansion of open banking to other sectors that is now occurring in a number of other countries.

CDR-enabled data sharing has the potential to amplify and accelerate the changes in industry sectors caused by digital disruption and transformation. It has the potential to accelerate the shift to ecosystem models, blur industry boundaries and see the emergence of new opportunities and non-traditional competitors.

This will require banks, and other organisations, 'to manage partnerships, something they haven't historically excelled in.' But, as Wharton have noted, 'Shifting away from your deeply ingrained industry and organizational mental models is very difficult...' [50]

Given its potential to enable new opportunities and to expose organisations to new threats, all organisations which have been or could be designated for data sharing under the CDR legislative framework should be taking action now.

There are **five actions** organisations should focus on:

- 1 Understand your customers' priorities and pain points** to identify where CDR can help solve their problems.
- 2 Look over the horizon** – Industry lines will blur with CDR and new competitors can come from other sectors and challenge existing business models.
- 3 Develop propositions with clear customer benefits** – Consumers are more likely to consent to sharing their data and engage in new propositions when benefits are specific and tangible.
- 4 Get started** – allocate human and financial capital to developing concepts, testing prototypes, piloting and partnering to validate new opportunities and help unlock the value from new proposition development.
- 5 Don't forget about compliance obligations** – whether as a Data Holder or Data Recipient, the compliance obligations are complex and evolving; make sure sufficient time and resources are allocated.



## 08 LAST WORD

### ‘The potential benefits of the CDR are significant, transformative and cumulative ...’

The Treasury, Strategic Assessment [51]

#### **Open data and data sharing are being embraced across the globe. And we’re still really only at the beginning.**

Australia’s consumer data right is part of this global trend. It is a strategic initiative, one which the majority of surveyed organisations expect will have a significant impact on their industry sector.

As part of its Strategic Assessment of CDR the government is undertaking a ‘high-level assessment of sectors and datasets across the economy’ and considering whether the roll-out of CDR to other sectors can be accelerated.

The Treasury’s approach has pivoted to focus on ‘significant decision points and events in a consumer’s life journey that would benefit from enhanced data access’, and opportunities for CDR-enabled innovation including the creation new data-driven products and services. [52]

Organisations should be thinking now about the financial and human capital they allocate to CDR and the development of customer propositions using shared data.

There are risks for organisations which view CDR as just another compliance obligation and focus solely on ‘data out’. These organisations are likely to see CDR as an expense and focus on minimising the financial, human and capital resources they allocate to CDR in general and customer proposition development specifically.

Instead, open data and CDR should be an integral part of organisations’ digital strategies.

Organisations that see the potential that CDR offers to change their relationship with their customers and add value to their business, are likely to see CDR as an investment and ensure that appropriate financial, human and capital resources are allocated to the development and implementation of customer propositions.

As Open Data Australia has highlighted each new use case heralds innovation, competition and the changing face of digitalisation of data.

***‘Those brands that lean in will pave the way for change.’***

## 09 ABOUT THE SURVEY

Quill Peak, Studioworks and Open Data Australia conducted a Pulse Check to explore where organisations were in developing propositions using data shared under Australia's Consumer Data Right.

The Pulse Check allowed respondents to provide categorical responses to four questions which explored:

- **Potential** – what impact did organisations anticipate CDR would have on their industry sector?
- **Preference** – for organisations planning to use CDR data, how did they prefer to receive the data in light of the existing and newly proposed data recipient models?
- **Progress** – what was the stage of development of organisations' main offering or solution which uses CDR data?
- **Problems** – what were the primary barriers which could prevent organisations bringing their propositions to market?

In addition respondents were able to provide clarifying commentary.

The Pulse Check was undertaken during August and September 2021.

- Email invitations were sent to organisations from financial, energy, telecommunications, comparator sites and technology and data service providers.
- Invitations to participate in the Pulse Check were published on LinkedIn posts.
- The survey was noted on the CDR Support portal and referred to in an August session of the CDR Implementation forum.

We had responses from 56 organisations across the surveyed sectors.

	Invited	Responses
<b>Financial Sector</b>		
Banking: major Banks, regional banks, mutual banks, digital banks, foreign banks	83	15
Non-bank financial institutions: non-bank lenders, mortgage brokers, Buy Now Pay Later	31	6
Other Finance: Payments, FinTechs, superannuation, Insurance, and investment management	79	11
<b>Other Sectors</b>		
Electricity retailers, telecommunication providers, price comparison sites	49	7
<b>Service providers</b>		
Open data platform providers, accounting service providers, other technology providers, data and credit analytics providers	39	17
<b>Total</b>	<b>281</b>	<b>56</b>

This Pulse Check will be followed by a more comprehensive survey which will be undertaken as the data recipient models are legislated and the road map for future sectors is clarified.

If you are interested in participating in the subsequent survey, please contact us at [survey@quillpeak.com.au](mailto:survey@quillpeak.com.au)

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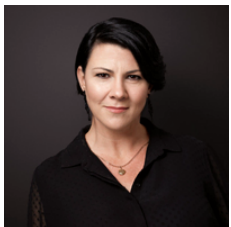


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Open Data Australia is a not-for-profit organisation and the Australian member of the Global Open Data Institute network.

See [www.opendataaustralia.org](http://www.opendataaustralia.org) to learn more





# End notes

- [1] While the expression 'Build it and they will come' has become popular, in the movie the voice heard by the farmer actually said 'If you build it, he will come', referring to the farmer's dead father. Source: [https://en.wikipedia.org/wiki/Field\\_of\\_Dreams](https://en.wikipedia.org/wiki/Field_of_Dreams)
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