Hi Kathryn

Thanks for the key issue list. I know you are looking for submissions from the data providers rather than the data recipients.  But as the founder/MD of the Raiz Invest business with well over 200,000 people gathering banking transaction data daily via Yodlee into our Raiz App I am keen that CDR and Open Banking works.

These were my concerns and observations from the round table you kindly invited me too:

* I was very happy to hear Treasury reiterate that ‘screen scrapping’ would continue alongside Open Banking.  I believe this is the correct approach, but I am also talking my own book.  But I am concerned that this will not continue if the uptake of Open Banking is less than expected by Treasury.
* For CDR to work and provide the expected benefits to consumers, then users will need to have a good user experience.  A multi-threaded verification registry as outlined at the roundtable, that can handle the 1000s of requests per second is necessary to ensure a good user experience.  It also needs to be maintained and running 99.9% of the time otherwise customers will prefer the current ‘screen scrapping’ technology as an example.  I would encourage that the service levels of the registry are built into the legislation to improve confidence in CDR mechanism for business owners like me.
* The express consent is not an issue.  I do not know how the consent will work in practice.  As I mentioned at the round table it will, however, create an uneven playing field for users who already have no problem giving away data for free if it adds value in some way (Google, FB the list is endless who collect data for free).  They will wonder why their bank doesn’t ask for consent while a data recipient does.   The user will ask themselves for example “are they less trust worthy”. This too will affect the user experience and as a business we will need to evaluate the effect on our customers before we consider if we will shift to Open Banking.
* It concerns me that Treasury has such trust in the Banks and ADIs when the Royal Commission is in the process of recommending 13,000 plus criminal charges against CBA and charges against NAB.  The accreditation process for ADIs will be a formality for all CDR databases, while Raiz for example which is a responsible entity and custodian and responsible for looking after others money will be treated in a different way.  We know we are treated in a different way, we would lose our AFSL is we had one charge let alone 13,000 and I totally agree with Treasury’s comments that the public trust banks more than a FinTech.  Accreditation, however, is an opportunity for Treasury to start levelling the playing field and building confidence in the financial sector outside the big four banks by treating RE, Custodians, ADI and others who are already responsible for caring for others money to be treated the same in the accreditation process.

As the largest user of third party banking data in Australia, it would be a pity if the user experience is not considered in this process of finalising the CDR bill.  After the round table I didn’t consider it was, and this will affect the adoption by services/products like mine.  This was my main take away from the round table.

Thanks

George

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