



**Verifier Submission
12 October 2018**

Revised Exposure Draft Treasury Laws Amendment (Consumer Data Right) Bill 2018

The Hon Josh Frydenberg MP, Treasurer
Mr Daniel McAuliffe, Structural Reform Group
The Treasury,
Langton Crescent, Parkes ACT 2600

By email: data@treasury.gov.au

Verifier Holdings Pty Ltd

**Submission to The Treasury on Exposure Draft Treasury Laws
Amendment (Consumer Data Right) Bill 2018**

About Verifier

Verifier is a permission-based private data exchange platform for regulated markets that applies renowned Privacy-by-Design principles, respecting the information security needs of consumers and income data providers. Our clients include banks and non-bank financial institutions.

Lisa Schutz is Verifier's founder and CEO. Lisa was instrumental in founding the RegTech Association in 2017 (a sister organisation to the FinTech Association) and is currently a director of that Association. She was awarded the inaugural *FinTech Leader of the Year* in the Women in Finance Awards of 2017 and the *Thought Leader of the Year* in the Women in Finance Awards of 2018.

Verifier welcomes the opportunity to make this submission in respect of the Revised Exposure Draft Treasury Laws Amendment (Consumer Data Right) Bill 2018 published for consultation on 24 September 2018 (the **Revised Exposure Draft**).

Verifier's comments and recommendations

1. Consent data designation

Consumer consents associated with CDR Data are a critical element of, and a necessary pre-condition for, access to and sharing of CDR data.

However, under the Revised Exposure Draft consent data is not either directly or indirectly derived from CDR data, and therefore does not itself fall within the definition of CDR data unless and until that class of data is also designated by legislative instrument.

We strongly recommend that consent data should be a designated class of information in each of the sectors that are designated sectors. This will ensure that consent data, the "oil" that keeps the open banking system moving, meets all

of the same standards as the CDR data it relates to and is managed appropriately by data holders and data recipients.

2. Complexity of privacy protections

The Revised Exposure Draft has attempted to clarify the proposed interaction between the Privacy Act and the Privacy Safeguards.

However, we remain concerned about the complexity and uncertainty that will result from a multi-layered approach to privacy protections. Particularly given the Privacy Safeguards will be supplemented by rules that are yet to be made by the ACCC under its rule-making power.

The complexity of this approach will significantly increase the cost (and time) of implementing the open banking data sharing environment, and will disproportionately disadvantage emergent market participants who cannot marshal teams of internal legal and compliance professionals to enable the required business outcomes.

Verifier's recommendation:

We recommend the multi-layered approach be abandoned. Instead, the existing privacy protections (under the Australian Privacy Principles and Part IIIA of the Privacy Act) should be modified as required to ensure appropriate privacy protections for CDR data.

Finally, we would be happy to discuss any aspect of our submission with you or your staff. Please contact me in the first instance.

A handwritten signature in black ink, appearing to be "Lisa Schutz", written in a cursive style.

Sincerely
Lisa Schutz, CEO
Verifier Holdings Pty Ltd