



SISS Data Services

**Submission in response to
proposed amendments to
Consumer Data Right rules**

October 2022

About SISS Data Services

For over 10 years, SISS Data Services (SDS) has provided secure bank data solutions to financial technology (FinTech) companies, especially accounting software platforms, and their small business customers.

Around 500,000 Australians have relied on SDS to securely deliver their banking data transactions into software platforms using direct feed arrangements with leading Australian banks and, more recently, through the Consumer Data Right (CDR) environment in which SDS is an Accredited Data Recipient (ADR).

SDS has never used screen-scraping and provides data only through bank-approved channels. As such, SDS is trusted by all of Australia's largest banks as well as leading accounting software platforms (including global giants Intuit QuickBooks and Sage) to provide high reliability, secure, permission-based bank data feeds for their mutual small business customers.

As Australia's leading independent provider of bank-approved data feeds to small businesses, SDS welcomes the opportunity to respond to the proposed amendments to the CDR rules, especially as they apply to the matter of consent for business data.

SISS offers the below responses to items outlined the section ***Operational enhancements to the CDR Rules*** in ***Attachment A*** of the ***Exposure Draft Explanatory Materials***.

Items 42-44

- 1) SISS welcomes the proposed Business Consumer Consent and believes that it will significantly increase the usefulness and adoption of the CDR.
- 2) As data can now be shared with a non-accredited party (once the Business Consumer Consent has been validated) we assume that the data leaves the CDR environment and is therefore no longer classified as CDR data.

Item 45

- 1) SISS agrees that searching for an active ABN is a strong measure to confirm that a consumer is a business consumer. However, we believe that a statement made by a consumer that they are a business consumer should be sufficient. Many business consumers (for example 'side-hustles' or 'gig economy workers' do not have an ABN, but still wish to share data for business purposes (such as with an accounting platform for preparing their accounts or taxation compliance).
- 2) Although most banks dislike the practice of personal accounts being used for business purposes, it is very common, especially amongst micro businesses/sole-traders. For this reason, the fact that a bank account product is a personal account does not mean that it's not being used by a business consumer. As such, a statement by the consumer that they are a business consumer is important to ensure these consumers can access their data.
- 3) The draft requires an ADR to determine if the consumer is a business before consent is given. SISS believes that this may result in an unacceptable user experience, as the process of validation may slow the consent process down. As an alternative, SISS proposes that ADRs be able to validate the consumer's business status after consent is granted, but before the ADR shares that data with a third party. This would enable the consent process to be low-friction for the consumer, and affords ADRs some time to thoroughly validate the consumer as a business. Indeed, validation of the consumer could be assisted by the data provided by the data holder (e.g: ABN, name, details etc). Such additional information could be provided to the ADR by the Data Holder once the consumer has granted consent, but before the data is shared by the ADR.
- 4) SISS recommends a review of API Specifications to include some indication at the account level if the Data Holder (bank) is aware that the account is for a business. We appreciate this is reliant on the bank being aware the account is for a business, be that a sole trader, company, trust, etc. This would allow an ADR to corroborate evidence provided by the consumer with data from the bank. We appreciate if the bank is unsure then the standard should allow for 'unknown'.
- 5) SISS seeks some clarification of the requirement to confirm that the consumer "is not an individual". Some consumers are not an individual but do not have an ABN. Examples include:
 - a) Self-managed Super Funds (SMSFs) with individual trustees operate as an investment business, but are operated by an individual. SMSFs are trusts and the person giving consent is not acting as an individual, but as a trustee of a trust. We interpret this scenario as a business consent on the basis the individual would make a statement that the purpose of sharing is for the business of managing the SMSF and compliance with the various requirements including accounting, tax, audit & superannuation legislation.
 - b) an investment portfolio which operates as a business, but which is held in an individual's name, rather than a trust or company structure. In this case, the investment portfolio may need to share data with

an investment software platform to help conduct the business of making investments, tracking income, paying bills etc.

Item 46

- 1) SISS agrees that business consumers typically have existing relationships and are experienced at sharing their information. Many of these relationships include contractual obligations and are covered by various laws (eg; The Privacy Act), processes and procedures.
- 2) ADRs are also likely to have contractual relationships with service providers with whom data is shared. SISS recommends that no obligation be placed on the ADR to vet the data security and sharing procedures of the service provider (including software platforms) as it is unworkable and adds to the cost of providing services to the consumer.

Item 48

- 1) SISS welcomes the change in the maximum duration of a business consumer consent, as this corresponds with the ongoing nature of businesses and their relationships with service providers.

Item 50

- 1) SISS agrees that the needs of business consumers differ from individual consumers and welcomes the extension of certain consents. For most businesses the primary purpose of sharing data is for accounting, income tax & GST compliance, lending, financial or taxation advice. As such, there is an intersection of competing legislative requirements to maintain data. SISS recommends that the CDR rules be clear that requirements to delete data are overruled by conflicting legislative requirements to maintain data.

Item 114

- 1) SISS welcomes this clarification and believes it will significantly simplify the consent process. We also believe this change will reduce risk in consent process as nomination of the trusted advisor (TA) can effectively be 'prefilled' rather than the consumer finding their TA (needle) from a list of tens of thousands advisors (haystack).
- 2) SISS suggests the same logic be applied to sharing of data in relation to business consents. There are several use cases where the sole purpose of a business consumer sharing data with an ADR is for that data to be supplied to their Accounting Software, SMSF administration service, online sales management, vendor management system, etc.