



SUBMISSION PAPER:

Submission to Data61 on Consumer Data Standards

December 2018

This Submission Paper was prepared by FinTech Australia working with and on behalf of its Members; over 300 FinTech Startups, VCs, Accelerators and Incubators across Australia.



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About this Submission

This document was created by FinTech Australia in consultation with its Open Data Working Group, which consists of over 172 company representatives. In particular, the submission has been compiled with the support of our Working Group Co-leads:

- Melissa Mack, MoneyPlace
- Lauren Capelin, Reinventure

This Submission has also been endorsed by the following FinTech Australia members:

- Credi
- Plenty Wealth
- Banjo Loans
- Prospa
- Zip Co Limited
- ID Exchange
- Investnet | Yodlee
- Frankie Financial

Submission Process

In developing this submission, our Open Data Working Group held a series of Member roundtables to discuss key issues relating to the Data Standards.

We also particularly acknowledge the support and contribution of K&L Gates and King & Wood Mallesons to the topics explored in this submission.



Context: Open Banking in Australia

FinTech Australia has been a consistent advocate for policy reform to drive the implementation of an Open Financial Data framework in Australia before the end of 2018. We have made numerous submissions to Federal Treasury, the Productivity Commission and the Open Banking Inquiry on the need for an Open Financial Data framework and on the details of that framework.

FinTech Australia will continue to engage on these broader issues, including by liaising with the Australian Competition and Consumer Commission (**ACCC**) in relation to the development of the Rules Framework. In this submission, FinTech Australia has focussed specifically on matters arising from the Consumer Data Standards developed by Data 61 and will separately provide feedback to the ACCC in relation to broader issues relating to the Rules. The outcome of the ACCC's consultation process on the Rules Framework and the ultimate content of the Rules Framework will impact the Consumer Data Standards. As such, FinTech Australia and its members would welcome an opportunity to revisit the Consumer Data Standards once the Rules have been finalised.



Implementation of the Consumer Data Standards

FinTech Australia welcomes the opportunity to put forward its position on behalf of members in relation to the Consumer Data Standards.

We have highlighted below a selection of key issues which we believe are important to the development of the Consumer Data Standards.

1. Adaptability

The volume of data available to banks and other financial institutions is constantly growing. The New Payments Platform and existing and future overlay services promise to deliver much richer transaction data. Additionally, reforms in relation to comprehensive credit reporting could enrich the available data even further.

We suggest that the 12 principles which set the basis for the development of the Consumer Data Standards should include that the standards will grow and develop to encompass new data as it becomes available, particularly through innovations on the New Payments Platform.

2. Scope of data included in the Consumer Data Standards

The Standards propose a data schema for information available through the APIs. Our members are concerned that not all relevant and important data fields have been captured in the draft Standards.

Specifically, FinTech Australia considers that the following additional data fields should be prescribed in the data schema to ensure maximum benefit can be realised by users of the APIs and ultimately the consumers.

- TransactionBasic and TransactionDetail schema should include a running account balance (ie available balance).
- the actual interest rate being charged or paid to the customer (including any discounts or bonuses);
- maturity dates of products (eg term deposits, personal loans);



- maturity dates of fixed interest rate periods within products (eg for mortgages) and periods to which bonus interest rates apply;
- the interest rate that will apply once any fixed rate period or bonus period ends;
- whether loans have fixed or variable interest rates;
- whether loans are interest only or principal and interest;
- whether mortgages are for owner occupied or investment property;
- whether loans are offset against deposit accounts and, if so, which one;
- whether automatic credit card repayments are for the entire balance or minimum balance or some other amount;
- account holder date of birth;
- default status for customer (including details of the default, such as product, date of default, principal amount, outstanding amount with fees and interest);
- borrowing limits, including credit, overdraw and line of credit limits;
- director information for organisations;
- guarantors linked to particular products;
- details of relevant security property or other secured assets (including type of security, valuation); and
- application details (including date of applications, products applied for, current status).

FinTech Australia considers that these data fields should be mandatory required fields where applicable.

3. Optional data

The Standards describe certain fields in the data schema as being mandatory, while other fields are optional. Our members are concerned that certain data fields which have been listed as optional are critical to the completeness of the data being made available.

Specifically, FinTech Australia considers the following data fields should be made mandatory to deliver maximum benefit for users of the APIs and ultimately the consumers.

- AccountDirectDebit - “authorisedEntity”, “lastDebitDateTime” and “lastDebitAmount”: It is essential to capture the nature of direct debit payments (i.e. the “authorisedEntity”), the regularity of the direct debit payments and the direct debit amount when examining a potential customer’s financial circumstances and deriving a well informed credit decision



- CustomerDetailResponse - “SimpleAddress”: Capturing and verifying the identity of customers is critical to financial providers. Having the “SimpleAddress” as a required field would allow financial providers to quickly ascertain whether a customer’s details are consistent while also allowing them to provide a seamless identify verification process for customers.

4. Authentication

The Standards adopt an OpenID approach to authentication. Our members are concerned that this may lead to unnecessary fragmentation and the increased complexity for developers using the API being required to integrate with a separate OpenID provider for each bank.

While Fintech Australia accepts that it may not possible or appropriate for Data61 to mandate the use of specific OpenID providers, we suggest that banks be encouraged to minimise duplication in their approach to OpenID and explore ways to minimise the number OpenID providers, where possible.

Conclusion

FinTech Australia thanks Data61 for the opportunity to provide inputs and recommendations on the development of the Consumer Data Standards. We will continue to engage on the broader issues in relation to Open Banking and the proposed Open Financial Data regime, including in connection with the Rules Framework under development by the ACCC.



About FinTech Australia

FinTech Australia is the peak industry body for the Australian fintech Industry, representing over 120 fintech Startups, Hubs, Accelerators and Venture Capital Funds across the nation.

Our vision is to make Australia one of the world's leading markets for fintech innovation and investment. This submission has been compiled by FinTech Australia and its members in an effort to drive cultural, policy and regulatory change toward realising this vision.

FinTech Australia would like to recognise the support of our Policy Partners, who provide guidance and advice to the association and its members in the development of our submissions:

- DLA Piper
- Baker & McKenzie
- Hall & Wilcox
- King & Wood Mallesons
- K&L Gates
- The Fold Legal