

ProvenDB and Consumer Data Rights

Background

the Consumer Data Right (CDR) represents a paradigm shift for data in Australia, with massive implications for regulators, consumers, and banking service providers. Open Banking and the Consumer Data Right (CDR) aims to increase consumer control over data and to encourage competition and transparency between service providers.

Although the CDR assumes and requires a high level of data integrity, the mechanisms for data integrity are not defined within the CDR, leading to the risk of disputes or inconsistent data between providers, consumers and regulators. In the worst of all possible worlds, there might be no indisputable resolution mechanism for disputes relating to data accuracy or to definitely prove the absence of tampering or other faults of commission or omission.

APRA clearly articulates the high bar for data handling in prudential contexts, particularly relevant to CDR (our emphasis):

*Auditability (the ability to **confirm the origin of data** and provide **transparency of all alterations**) is a key element to verifying data quality. It involves the examination of data and associated audit trail, data architecture and other supporting material. APRA envisages that a regulated entity would ensure that **data is sufficiently auditable** in order to satisfy the entity's business requirements (including regulatory and legal), facilitate independent audit, assist in **dispute resolution (including non-repudiation)** and assist in the provision of forensic evidence if required.¹*

CDR and ProvenDB

ProvenDB is a cost-effective software solution that provides a tamper-resistant digital store for your sensitive or compliance-oriented information. The ownership and creation date of information stored in ProvenDB can be definitively proven by stringent industry-standard cryptography, backed by digital signatures written to an immutable public blockchain.

The primary benefit of integrating ProvenDB within a CDR is the ability to prove beyond doubt the origin, time and integrity of any CDR data transaction at any point within the CDR lifecycle.

Specifically:

- For regulators, the existence of an immutable and tamper-resistant record of CDR transactions will ensure a higher degree of compliance and will reduce the overhead of audit and verification processes.

¹ [APRA The Prudential Practice Guide CPG 235 – Managing Data Risk](#)

- For consumers, the sure knowledge that their CDR transactions are traceable and immutable will increase confidence in the open banking process and encourage participation.
- For Data Holders, an immutable and irrefutable Blockchain-based record of transactions will ease the burden of regulatory compliance and dispute resolution and will encourage consumer confidence in that entity's Open Banking implementation.
- For System Integrators and Solution Providers, the addition of Blockchain mediated data integrity will provide a competitive advantage over alternative Open Banking solution providers.

The following key pieces of Open Banking information could all be secured in ProvenDB to provide benefits to the consumer, regulator, and data holder.

- **CDR Data Sets** (*Accounts, Transactions, Users and Product records*)
- **Consumer Consent Data** (*Consent, Authorizations, Registrations, etc*)
- **ACCC Register** (*Accreditation info and Product Metadata Refresh*)

ProvenDB uses industry standard APIs and implements the MongoDB database API, which ensures compatibility with all leading software development frameworks. It is available as a cloud service, may be installed on-premise or embedded within an existing application.

Conclusion

ProvenDB is a database service that completely supports the most rigorous data integrity standards. In particular, it completely supports the APRA data risk guidelines. While ProvenDB does not provide a complete solution for a CDR implementation, it can be integrated into existing solutions to ensure the trustworthiness, security and integrity of all CDR data handling.

Eliminate the costs and risks involved in regulatory compliance with ProvenDB Compliance Vault. Visit www.provendb.com to sign up for a ProvenDB cloud service, or email us at support@provendb.com to explore options for deploying ProvenDB Compliance Vault within your organization.