

Treasury,

Thank you for the opportunity to respond to the CDR Strategic Assessment Consultation.

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About AssuranceLab

AssuranceLab is a for-purpose B-Corporation, a Certified Public Practice accounting firm, and a leading provider of information security audits under the System and Organisation Control ('SOC') standards. We are the leading provider of SOC 2 reports in ANZ (by # of clients) serving over 70 cloud software providers as annual audit clients across Australia, New Zealand, the US, Ireland, Singapore, The Philippines and Vietnam. AssuranceLab began working with the Consumer Data Right in 2021 to support accreditations for ADRs.

Executive Summary

The CDR is an opportunity to improve the lives of all Australians. We are seeing most of the current use cases addressing the mass market of consumers. We hope to see others that address the needs of smaller and more specific groups, that can have a larger magnitude of impact on those consumers. In particular, we hope to see Scott Farrell's recommendation #7.9 implemented to see positive impact of the CDR in solving the needs of the vulnerable. This paper recommends two high impact data sets that enable use cases to meet the needs of vulnerable consumers. A third use case we recommend is to prioritise datasets that enable climate action by Australians that want to individually contribute to this important global agenda.

Our general view of the phased roll-out is that initiation of the CDR across all industries would be beneficial based on the long lead time to implementation. Setting dates for all industries to be live data holders, with less tolerance for delays (but a reasonable timeframe given), helps provide certainty for business planning and to initiate the activities of data holders and aspiring data recipients. Across Australia there are thousands of entrepreneurs and innovators, including those still studying and planning out their career opportunities. Setting dates enables them to conceive and begin creating potential solutions in advance of the roll out. Following a set timeline, the finer details and complexities can be worked through as they arise. Invariably, many of the potential issues won't be identified until implementation has commenced.

The three priorities we recommend considering include:

1. Customer service records across all industries;
2. Government Centrelink records; and
3. Datasets that generate climate impact insights to enable individual climate action.

Each of these three areas have a for-purpose, positive impact on our economy, society and individual consumers. They are also conducive to viable and profitable business models. That would enable entrepreneurs to leverage these CDR opportunities to create a sustainable and successful business.

Customer service records

There is a major issue in Australia with large businesses mistreating their customers. We see this in royal commissions, A Current Affair, and public legal cases, which is the tip of the iceberg to the real prevalence of these issues. Often those most vulnerable do not have the means to pursue their cases to the point of recognition by regulators, the government, or

the general public. The issues that do surface are generally only those that are systemic and quantifiable, not the many others that are more unique or ambiguous.

We don't believe this mistreatment of customers is deliberate, nor that it's caused by the customer service itself. However, in most cases these issues pass through customer service channels and those data records provide the key to solving these issues. Empowering consumers with those records combined with innovative solutions that can leverage this data, can hold businesses accountable, help Australians regain their dignity, and reduces the impact on vulnerable consumers in particular. It's hard for consumers to understand their rights, navigate the pathways of dispute resolution, and to have their cases resolved. That difficulty is compounded by the lack of transparency and availability of their customer service records.

Centrelink data

The stringent security and privacy of the CDR scheme provides an opportunity to protect the highly sensitive Centrelink data, whilst enabling it to be used outside of government agencies. This creates the opportunity for new innovative solutions to address the needs of Australia's most vulnerable including for particular life events and circumstances. Government agencies already perform rigorous validations of those individuals and their circumstances. These sorts of validations are not able to be automated or applied at scale by the private sector, which has limited use cases that could address the needs of these consumer groups.

Being able to leverage those validations through the data allows use cases that tailor offerings to those in need, without being taken advantage of by those that are not in need. Most businesses now recognise the importance of positive social impact and actively participate in causes that contribute to social goals. Democratizing these validations of who is vulnerable and in need, empowers all businesses to tailor their offerings and provide more favorable terms to those that need it.

As the sophistication of the CDR ecosystem increases it may also solve another major pain point and injustice. That is where services like Centrelink are onerous, confusing and are often unfairly distributed accordingly. Automation of assessing individuals' financials, their Centrelink services already being accessed, and other supplementary data may help connect eligible consumers to related Centrelink services and make it easier to access and more equitably distributed.

Consumer climate action data

Most Australians want to see Australia take a more active role in furthering the global climate action agenda. Consumers want to reduce their own individual carbon footprint, but most don't know how to and have no way of identifying or measuring ways that they could do so. When determining the relative priority of datasets for the CDR rollout, we recommend considering climate action as a priority in its own right. Treasury could hold a roundtable discussion with industry experts and other interested parties to see how we could further this agenda through the CDR.

The CDR presents an opportunity for Australians to use their data to identify, quantify and understand the ways they can contribute to the global climate action agenda, individually. Australia can be a global leader in this area by leveraging our world-first economy-wide roll out of the CDR. Energy usage, grocery purchases and public transport travel data are three example datasets that can play a major role in generating insights for individuals to reduce their carbon footprint and contribute to this important global agenda.

Recommendation 1: Customer service records

Customer service records being prioritized for inclusion in the CDR can solve major customer pain points. We recommend this is considered for prioritization across all industries. The simplicity of this dataset and how it's universally applicable across industries, means it would have less burden for the regulators and therefore less impact on the rollout of other priority datasets and industries. It may be a good first dataset to initiate new industries before the more complex datasets of those industries are introduced. This would begin preparing those industries for broader participation without diverting resources away from existing industries that have remaining areas to resolve like in Open Finance.

The problem

The poor customer service and failures by Australia's large businesses is a major hidden cost to the economy and a negative impact on Australians lives. The tip of the iceberg is the findings of royal commissions, the cases we see on A Current Affair, and those that proceed to the point of legal action with public awareness. In my own personal life (and I've heard countless stories of others), I've experienced:

1. Nab inappropriately recorded a credit default on my credit file, preventing me from accessing credit for over 12 months. It took over 9 months to have the credit file fixed. I was offered \$1,000 in "non-financial damages" for the whole ordeal, which I rejected out of principle as it dwarfed the real impact on my life.
2. St. George Bank took several months to release a title, had us repeating steps, and the customer service team repeatedly failed to follow through on their responsibilities. That delayed the purchase of a property and our obligations in wrapping up an Estate with multiple beneficiaries. St. George settled for \$16,000, recognising the failures in their customer obligations and services. My request was not for compensation but for St. George to thoroughly investigate and resolve the issues with their culture, systems and/or processes to avoid it happening to others. When we realized that was like flogging a dead horse, we accepted the compensation offer to move on with our lives.
3. Optus' internal communication breakdowns and the lack of ownership by Optus customer service personnel left us without NBN for 5 months during the pandemic while this service was critical to working from home. After no signs of progress or resolution 4 months in, I emailed their entire Board of Directors and Executive team, at which point it was resolved in a few weeks.

These three cases have the following in common:

- They each happened to me, Paul Wenham, a single consumer!;
- They had a major negative impact and disruption to my life – including those associated with me in the respective cases (my wife and sisters);
- Despite being major issues, none of them even made it to the point of being a statistic for public awareness or regulatory oversight;
- They each would have been minor, even insignificant, if the customer service of those businesses was effective in resolving them early on; AND
- In all three cases, I leaned on connections or industry experts to help me navigate them. I took steps most consumers wouldn't do. That mitigated and resolved these issues, which could have been even worse!

Anecdotally, every person you speak to has a story like this or knows of one close to them. The root cause of the problem is simple; it's a lower cost for large businesses to ignore the underlying issues and pay out the relatively small number of cases where consumers make a claim for damages. Most consumers realise it's too hard to do anything about it and therefore tolerate the injustice and negative impact on their lives.

The solution

The transparency of customer service records in itself, would increase the pressure on Australia's businesses to do the right thing by their customers. The records being collected and organized by a third-party service would allow consumers to track and resolve issues and keep customer service teams accountable for the commitments they make (and often don't follow through on). This may combine with the plans for action-initiation to allow consumers to follow up, prompt, or escalate existing customer service cases without the need for lengthy phone calls that often deters consumers and delays the process. That delayed resolution has an ongoing negative impact on their lives. This data, combined with smart technology, can help educate consumers on their rights, assist them in taking action when appropriate, and to resolve issues in a faster and easier way.

Example use cases

The following are examples of how the data could be used:

- **Centralised tracking:** One of the "life admin" applications, like [Eggy](#), could centralise customer service records to keep track of individuals' actions for life admin tasks like discharging a mortgage, switching utility provider, and setting up your internet.
- **Case resolution:** The use of artificial intelligence can help to resolve many of the cases and issues people experience. For example, when St. George was slow to release a property title, we spoke to a friend in banking that advised us they had X days to do so, or they were in breach of X regulations. Armed with that knowledge, we were able to put pressure on St. George and know when it was appropriate to

escalate the case. That information is not readily accessible or known by most consumers, but can be made available as it relates to a live case and as it occurs, to guide the consumer.

- **Claims for damages:** At the point that a customer service issue has had a major impact on a consumer, that consumer rarely has records of all the calls and history of the case – each time expecting it would be resolved, but it wasn't. The case history helps make a case for damages, which encourages these claims and therefore the pressure on businesses to fix the underlying issues and follow through on their commitments. Consumers may also share the case data with regulators in a consistent format to add statistics to this hidden problem. This allows regulators to improve their oversight, which is currently absent and is part of the problem.
- **Customer service software:** In contrast to putting pressure on businesses, the open data could enable ADRs to build solutions for those businesses. The data records can be used to train AI models in identifying issues, customer service failures, and resolving them in a B2B model offered back to those businesses to better manage their customer service process.

Recommendation 2: Centrelink data

Centrelink has highly sensitive but also meaningful data that could contribute to innovative solutions to some of Australia's biggest social needs. These datasets may be important in facilitating Scott Farrell's recommendation:

Recommendation 7.9 - Encouraging innovation that benefits vulnerable consumers. The Government should explore options to encourage the creation of products that use the Consumer Data Right to benefit consumers, including the establishment of a grants program to support developers to design and build such products. Government should seek input from consumer representatives and those providing services to vulnerable consumers in doing so.

The problem

A major limitation in providing services to vulnerable and in-need consumers, is effectively discriminating the audience of vulnerable consumers and validating that status in a way that prevents others from taking advantage of what's offered to those consumers. This validation is time-intensive and expensive and therefore limits the viable ways to address the needs of these consumer groups specifically. Government services like Centrelink have existing validations and safeguards to identify these vulnerable consumers in line with established policies. Accordingly, those datasets of people accessing particular subsidies or payments through secure CDR data sharing upon consent, can enable new uses cases to address the needs of those vulnerable consumers.

The solution

Empowering those on Centrelink services to share their data and validate their status of

receiving specific Centrelink services, may enable them to access tailored offers, goods and services. In addition, it may be used with other data to determine where additional Centrelink services are available to them that they aren't already claiming and may help them better navigate what's available to them.

Example use cases

Discounts and offers: Businesses, like Baby Bunting, Harvey Norman and Woolworths for example, can contribute to their positive social impact goals, by offering tailored discounts to consumers in need. For example, the lower household income earners on the Family Tax Benefit may benefit from discount nappies, car seats, and other childcare needs, while other general low- or no-income earners may benefit from discounted whitegoods and groceries.

Non-financial support programs: The use of CDR insights that validate the status of eligible Centrelink programs can enable subsidised, government funded, or private sector initiated non-financial support programs for those in need. The CDR data removes the administrative burden and complexities that otherwise limit the feasibility of such programs. For example, those on Job Seeker may get access to exclusive training and skill building programs that help them transition into a new field or use their unfortunate time out of work for self-development that has longer term benefits for Australia's economy. Or those on stillborn payments may access government funded counselling and group support sessions. This may benefit from Scott Farrell's recommendation #7.9 leveraging government grants to make these use cases viable.

Auto-fill: Centrelink collects comprehensive information that often takes hours to collect. This makes it a valuable source of data for auto-fill use cases to complete other forms that require subsets of the information that Centrelink collects.

Recommendation 3: Climate action insights datasets

When determining the relative priority of datasets for the CDR rollout, we recommend considering climate action as a priority in its own right. This may have equal or even greater importance as the focus on allowing consumers to switch providers more easily to increase competition. The CDR presents an opportunity for Australians to use their data to identify, quantify and understand the ways they can contribute to the global climate action agenda, individually.

The problem

Most Australians want to see Australia play a more active role in furthering the climate action agenda. Whilst believing our government is dragging its heels, consumers try to take matters into their own hands to contribute individually and educate and encourage others to do the same. The limitation in doing so is the difficulty identifying ways they can contribute as individuals, understanding the impact of their own actions, and maintaining motivation in the absence of any direct output or measurement that helps them justify their efforts were worthwhile.

The solution

The Australian CDR roll out with its economy-wide focus is an opportunity for Australia to be the global leader in this category. With Australians able to consolidate their data, it enables use cases that identify, measure and track their individual actions that contribute to climate action. This makes it less overwhelming and more accessible to the majority of Australians that want to positively contribute to this agenda. As the first country to roll out the CDR cross-industry, it would give Australian innovators a major first-mover advantage building the tech that uses this data to generate climate action insights. To support this cause, we recommend identifying and considering the highest impact datasets for generating climate action insights, which may benefit from a roundtable of interested stakeholders.

Example use cases and datasets

The use case for climate action insights, would be to consolidate consumer data and measure impact based on spend, energy usage, product purchases, and travel data, as well as measure their improvements over time. Combined with smart technology, this can provide a personalized view of recommended actions to reduce their carbon footprint and score their actions and impact. That scoring, insights and achievements can be shared within a community to achieve status and recognition amongst friends and the broader population, and to challenge each other to increase their positive impact on this important agenda. Example high-impact datasets may include:

Energy consumption: Open Energy will be a major step forward for climate action use cases. The raw energy usage data, combined with complementary datasets and smart technology (eg. AI/ML), can support consumers in better understanding and reducing their energy usage and therefore their carbon footprint.

Supermarket data: Detailed data on product purchases can generate a range of insights to help individuals understand their climate impact. That includes whether goods are sourced locally or overseas, fresh or frozen, the level of consumption (and anticipated waste), and the type of the products with their associated carbon footprint.

Travel data: Existing open banking data can enable tracking of spend on petrol, airfares and cruises, for example. That can be supplemented with public transport usage data as a carbon-friendly alternative and to provide the complete picture that's necessary to understand overall impact from travel decisions.