ACCC

How will the CDR accreditation system work for FinTechs? In particular:
  a. What will the accreditation process look like, and will it differ for smaller banks and FinTechs than for the major banks?
  b. How is the ACCC facilitating the accreditation process?
  c. What can Australia learn from the UK experience in terms of FinTechs gaining accreditation to Open Banking?

ACCC response

a.

Entities (including banks and FinTechs) seeking to become an accredited data recipient will complete and lodge an electronic accreditation application form via the Consumer Data Right (CDR) Participant Portal. The CDR Participant Portal is accessible through the CDR website (www.cdr.gov.au), which was launched on 25 May 2020. The Data Recipient Accreditor (ACCC) may accredit persons if it is satisfied that they meet the criteria specified in the Consumer Data Right Rules.

There is currently one tier of accreditation – the unrestricted level.

Standard accreditation application for data recipients
Accreditation applicants (other than Authorised Deposit-taking Institutions, or ADIs), such as FinTechs, will complete the standard application form which requires them to provide information and documents to demonstrate their ability to comply with the accreditation criteria. Those criteria are set out at rule 5.12 of the CDR Rules, and require the applicant to be a fit and proper person, to meet information security requirements, to have adequate relevant insurance, to have internal dispute resolution processes, and to be a member of the Australian Financial Complaints Authority.

Streamlined accreditation for Authorised Deposit-taking Institutions (ADIs)
ADIs (except restricted ADIs), who are subject to Prudential Supervision by the Australian Prudential Regulation Authority (APRA) in accordance with the *Banking Act 1959* (Cth), are permitted to follow a streamlined accreditation process. Because of the existing strict prudential standards and supervision applied by APRA, ADIs are not required to provide information or documentation relating to either insurance or IT security.

The streamlined accreditation form requires an ADI to provide its policy on how it will manage CDR data and details of its Australian Financial Complaints Authority membership (the recognised external dispute resolution scheme for banking). The streamlined accreditation process is the same for all ADIs, regardless of size.

b.

Entities (including banks and FinTechs) seeking to become accredited data recipients can complete and lodge an electronic accreditation application form on the CDR Participant Portal. The CDR Participant Portal can be accessed via the CDR website. After working with a small cohort of prospective data recipients for the initial testing phase of the CDR, we opened the application process to new applicants on 25 May 2020. We anticipate strong interest from prospective data recipients.

To assist potential accreditation applicants with lodging an accreditation application, the following information and guidance is available on the CDR website:

- Accreditation guidelines, including supplementary guidelines on insurance and information security

- sample versions of the application forms

- user guide for the CDR Participant Portal, and

- Frequently Asked Questions - specifically relating to the accreditation process.

The ACCC is available to meet with any potential accreditation applicants to discuss the CDR and the accreditation process, as well as respond to enquiries through our CDR email address.

We have continued to consider appropriate ways to reduce potential costs and provide flexibility to data recipients. We have recently revised the requirements for information security to provide greater flexibility around the type of assurance report that will be accepted to meet the information security obligation. The requirement for applicants to provide an assurance report is the biggest up-front cost for them to be accredited. This change may enable some applicants to reduce those upfront costs.

We are also pursuing other potential ways to reduce the cost of accessing CDR data, including changes to the outsourced service provider provisions, introducing lower tiers of accreditation, appropriate measures to permit the use of intermediaries, and allowing transfer of CDR data outside the CDR ecosystem in some circumstances.

c.

- The ACCC has had regular discussions with the UK's Open Banking Implementation Entity (OBIE) to discuss their experiences.

- One of the challenges for accreditation is ensuring applicants understand the requirements and the information or documentation required to satisfy those requirements.

- The time taken to assess accreditation applications can be significantly impacted by the level of detail and information applicants provide in their applications.

- Testing to confirm that each data recipient is ready to commence data sharing could be a time-consuming and expensive exercise without automation. Like the UK's OBIE, the ACCC is developing a Conformance Test Suite (CTS) that will support automated testing by accredited data recipients.