

Commercial Insights

Future directions for the CDR

On 23 December 2020, the Australian Government released the Report of the *Inquiry into Future Directions for the Consumer Data Right*. The Report looks at how Australia's data sharing regime can be enhanced to further benefit consumers and strengthen our digital economy.

For Australian businesses in the banking, energy and telecommunications sectors, now is the perfect opportunity to set up policies and systems for compliance with the new regime.

What is the Consumer Data Right (CDR)?

The CDR is a competition and consumer reform first announced by the Australian Government in 2018. It allows individuals and businesses to efficiently and conveniently access their data and to authorise the disclosure of that data to other businesses that the consumer trusts.

In the banking sector, the CDR is known as Open Banking. *The Competition and Consumer (Consumer Data Right) Rules 2020* provides the framework for how the CDR operates in the banking sector. It defines the elements for consent, outlines the accreditation framework, and elaborates on the privacy aspects of the scheme.

Despite currently existing only within the banking sector, the CDR is an economy-wide reform that continues to evolve and will apply sector by sector. Work is underway for roll out of the CDR to the energy and telecommunications sectors.

What does the Report recommend?

100 recommendations have been made, all of which seek to expand the functionality of the CDR, ensure broader participation in the CDR, leverage the infrastructure of the CDR, and promote connections with other countries that are developing similar regimes.

Australian businesses should pay particular attention to the following recommendations:

- *switching*: how the CDR can be utilised to overcome behavioural and regulatory barriers to efficient switching between products and providers
- *specialised services*: how the CDR should support the specialisation of services to allow businesses to design their own business model and in turn promote innovation, and
- *action initiation*: how the CDR could be expanded to include 'write' access enabling accredited persons to apply for and manage products (including, the initiation of payments within the Open Banking regime).

The Report in its entirety can be found [here](#).

This article was written by Special Counsel, Hayley Bowman and Solicitor, Yashila De Silva. If you have any questions about the recent report on Consumer Data Right, please contact Hayley.



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