



Australian Government



Australian
**Small Business and
Family Enterprise**
Ombudsman

16 September 2022

Sectoral Assessments
Consumer Data Right Division
The Treasury
Langton Crescent
PARKES ACT 2600

via email: data@treasury.gov.au

Dear Sir/Madam

Consumer Data Right – Non-Bank Lending draft designation instrument

We welcome the opportunity to comment on the Consumer Data Right (CDR) – Non-Bank Lending draft designation instrument.

While the introduction into non-bank lending should encourage competition and drive innovation within the financial sector, as discussed in our submission to the *Statutory Review of the CDR – Issues Paper*, we remain significantly concerned by the continued roll-out of the CDR. Given the high costs to participate as data holders in the CDR and the disproportionate impact these costs have on small businesses, we continue to recommend consideration be given to:

- A temporary hold in the sectoral expansion of the CDR, to give time to assess the impact and effectiveness of CDR in the banking, energy and telecommunications sectors and
- Adjustment of the regulatory settings for the CDR to facilitate inclusion of all data holders including small and family businesses.

In the absence of the above considerations, we support the introduction of CDR into the non-bank lending sector, as it provides consumers an opportunity to gain a more complete picture of their financial circumstances and options. Further, we support omitting the \$50 million threshold at the designation stage and reimposing it at the rulemaking stage, to enable entities under the threshold to participate in the CDR voluntarily without being mandated. The substantial upfront costs imposed on providers to participate in the CDR has a disproportionate and exclusionary impact on small business, as evident in the energy and telecommunications sectors.

To encourage voluntary adoption of the CDR by small business, we recommend stimulation through:

- Financial incentives (for example through tax offsets or payments) and
- Public awareness campaigns, including promoting the benefits of use created through the CDR.

Thank you for the opportunity to comment. If you would like to discuss this matter further, please contact Ekaterina Grazhdannikova on 02 5114 6141 or at ekaterina.grazhdannikova@asbfeo.gov.au.

Yours sincerely

The Hon Bruce Billson

Australian Small Business and Family Enterprise Ombudsman

T 1300 650 460 E info@asbfeo.gov.au
www.asbfeo.gov.au

Office of the Australian Small Business and Family Enterprise Ombudsman
GPO Box 1791, Canberra City ACT 2601