



EY Fuse Consumer Data Right Solution

Comply and compete with open banking

Your digital world. Realized.

Australian banks must get ready for Consumer Data Right open banking

The introduction of a Consumer Data Right (CDR) in Australia, leading the wave of open banking regulations and standards being rolled out internationally, presents both challenges and opportunities for Australian banks.

The CDR will give consumers greater access to and control over their data. It will also improve consumers' ability to compare products and services, and will encourage competition between service providers.

This will lead to better prices for customers, more innovative products and services and deeper insights into customer preferences and behaviour.

The CDR regulations govern all authorised deposit-taking institutions (ADIs) and accredited data recipients in the country, which must ensure they are compliant when the CDR begins taking effect in 2020.

The challenge

The CDR mandatory dates for non-major ADIs are rapidly approaching. Smaller banks and credit unions will struggle with the complexity and breadth of the changes required to become compliant within these time frames. For these ADIs, spending significant CapEx on a solution that achieves peer compliance may not be prudent.

A better solution may be renting the capability on demand from a credible partner. This is a more cost-effective commercial model that enables ADIs to not only achieve compliance, but to position themselves to compete more effectively in an open banking world. Due to the specific CDR near-real-time data requirements and velocity of change CDR is creating, open banking compliance can fuel a strong business case for ADIs to receive funding and project support for their move to a multi-cloud environment. The EY Fuse Open Banking Solution, built on Microsoft Azure, encompasses a modular component design so ADIs can become compliant quickly. The solution also helps ADIs access other Azure-based EY capabilities so they can capitalize on CDR data to develop attractive new products and services, and gain new customers.

Key implementation requirements

Delivering a compliant solution requires the complex choreography of legal, risk, technology, compliance and transformation teams. Each must understand the regulations and standards, including the unique application program interface (API), security, identity, data, privacy and product implications. The regulation contains:

- ▶ 700+ obligations including Australian Competition and Consumer Commission (ACCC) rules, Data Standards Body (DSB) standards and Office of the Australian Information Commissioner (OAIC) privacy guidelines
- ▶ 30+ APIs including banking APIs, common APIs, register APIs, register endpoints and administration APIs
- ▶ Data Holder registration and compliance including CDR policy, risk and compliance
- ▶ Two dispute resolution processes including internal and external dispute resolution, Australian Financial Complaints Authority (AFCA) registration, Regulatory Guide 165 and external Assurance
- ▶ Optional data recipient accreditation including fit and proper, security assessment, controls assessment and policy

Regulatory timeline for compliance for non-major ADIs

		1 Oct 2020	1 Feb 2021	1 Jul 2021*	1 Feb 2022*
All non-major ADIs	Product Reference data	Phase 1 Data	Phase 2 Data	Phase 3 Data	
	Transactional data			Phase 1 Data	Phase 2 Data

* Proposed date, under consultation (Source: ACCC)

Complying with CDR

- ▶ The programme of work necessary to comply and then compete is complex and subject to changing mandated deadlines.
- ▶ Currently, non-major ADIs must be compliant for product reference data (PRD) by October 2020 and for transactional data from February 2021.

EY Fuse Consumer Data Right Solution value proposition

Positions ADIs to both comply and compete

- Reduces the risk, cost and complexity involved in meeting compliance deadlines
- Positions ADIs to leverage CDR data in the future to compete

Can be delivered as a service

- Provides required capabilities via a secure Azure platform hosted in Australia
- Requires no internal resources to operate
- Frees up capital for other priorities by shifting compliance from CapEx to OpEx

Provides an Australian solution with a global perspective

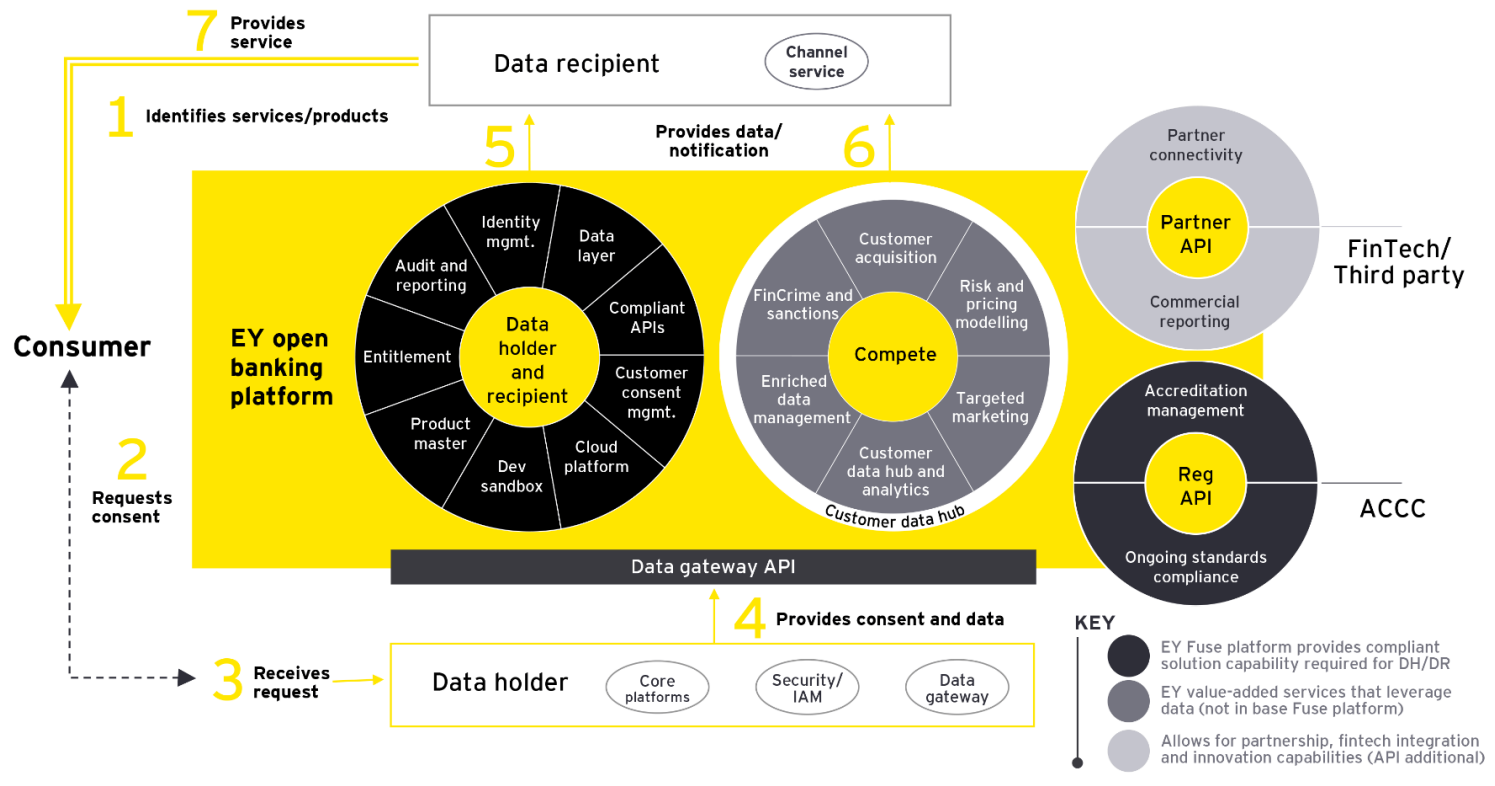
- Meets Australian CDR regulations and standards
- Leverages EY industry experience gained in successful United Kingdom implementations
- Supported by EY technology skills and innovative Microsoft technologies

Takes an end-to-end approach

- Includes all required process and technology capabilities
- Integrates seamlessly with ADIs' existing systems
- Maintains currency with evolving regulations, standards and scopes

EY Fuse Consumer Data Right Solution design

At the heart of the EY Fuse Consumer Data Right Solution's design is a powerful combination of the global open banking technology knowledge of EY and innovative Microsoft technologies. Built on the EY Client Technology Platform using an all-Microsoft Azure native technology stack, the solution is cloud-based, extensible, scalable and end-to-end. This enables the solution to manage data flow seamlessly across consumers, data holders, data recipients and relevant open banking collaborators and regulators.



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For more information on EY Open Banking Services, please explore: https://www.ey.com/en_gl/banking-capital-markets/open-banking-services

To learn more about the EY-Microsoft alliance: <https://www.ey.com/microsoft>

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