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Treasury and Data Standards Body

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## ‘Opt-out’ joint account data sharing model

Representing over 200,000 professional accountants in Australia, Chartered Accountants Australia and New Zealand (CA ANZ) and CPA Australia support expanding the definition of a joint account to capture all authorised persons on an account, as well as making the definition applicable sector wide. Further, we consider the segregation of joint accounts into either simple or complex unnecessary, with the potential that by doing so it will lead to confusion for the consumer.

Accordingly, on the basis of a single definition of a joint account, we support adopting a single approach to action requests to share data from a joint account that mirrors existing authorities to transact on that account.

### Response to Questions

#### **Question 1: Do you prefer the definition of joint accounts in the rules, or would you prefer a sector-wide definition?**

We support a sector-wide definition. Such a definition should include persons authorised to act on a joint account in addition to the account holders. To authorise a person to act on an account, for example, an adult child for their parent/s, a bank has a process to ensure that consent is given freely and the adult child’s identity is verified. Similarly, in energy and telecommunications, where the service provider will be the data holder, such processes already exist.

We consider the addition of authorised persons would reflect account structures already in operation within banking, energy and telecommunications.

#### **Question 7: Do you agree that an ‘opt-out’ approach is preferred over the current ‘opt-in’ approach?**

We do not agree to moving to an ‘opt-out’ approach. An ‘opt-out’ approach would potentially conflict with the intent of the CDR regime which is to provide a consumer control over their data. That control should not be diminished when their data is held in a joint account.

Accordingly, we strongly disagree with the proposition in paragraph 23 that, if ‘opt-out’ is implemented, data holders are not required to notify all joint account holders of default CDR sharing settings. While the current rules provide protections for vulnerable consumers where the data holder is aware of a risk of harm, the data holder will not be aware of all persons at such risk in the ‘opt-out’ framework. For those vulnerable consumers, being unaware of data sharing settings could increase the risk of financial abuse.

We challenge the assumption in paragraph 24 that an 'opt out' approach would continue to provide consumers control as they can 'opt-out' of data sharing. Paragraph 23 sets out a scenario where a consumer is unaware that a default setting to share data from a joint account has been established. In this example, the consumer would be forced into the CDR regime—whereas participation should be voluntary—in order to complete an 'opt-out' process (refer to paragraph 24.)

Not only is there no apparent benefit for the consumer in an 'opt-out' model but it appears to diminish the consumers' control over their data when the data is in a joint account.

**Question 11: Which option do you support for complex joint accounts and why?**

We do not support the segregation of joint accounts into either simple or complex. An account is considered a joint account when there is more than one account holder. It is irrelevant how many account holders exist or the layers of authority to transact on such an account. To introduce different meanings of 'joint' based on such factors as the number of account holders adds an unnecessary layer of complexity with no discernible benefit for the consumer or regulated entities.

With the view that a joint account is an account with more than one account holder we support *Option 1 – mirror current authorities to transact on all joint accounts*.

**Question 22: Do you agree with the proposal to retain current notification requirements?**

We agree with retaining current notification requirements to ensure transparency over the actions of holders in a joint account.

CA ANZ and CPA Australia support a single, sector-wide, definition of a joint account where the approach to seeking consent for data sharing mirrors the existing authorities to transact on the joint account. This will ensure that consent meets the requirements of the regime to be voluntary, express, informed, specific to purpose and time limited.

If you have any questions about our submission, please contact Karen McWilliams at [karen.mcwilliams@charteredaccountantsanz.com](mailto:karen.mcwilliams@charteredaccountantsanz.com) or Kristen Beadle at [Kristen.beadle@cpaaustralia.com.au](mailto:Kristen.beadle@cpaaustralia.com.au).

Yours sincerely

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