Australian Banking Association

10 September 2021

Data Standards Body

By: GitHub Post DP 208 - Binding NFRs

Dear Data Standards Body Colleagues,

# Decision Proposal 208: Binding NFRs

Thank you for the opportunity to comment on this Decision Proposal. We understand that the DSB's consideration to mandate the NFRs in late 2021 is driven by several factors:

- It was the intention for the NFRs to be mandated when the ecosystem reached maturity and there is now broad participation in the CDR ecosystem,
- There have been no specific issues pertaining to the NFR settings and no calls made to change the NFRs and therefore the assumption is that the settings are correct,
- That "participants should now have enough data to be able to confirm the applicability of the current non-functional requirements, or to make specific recommendations for change".
- Participants have had enough time to refine their compliance with NFRs,
- With the Energy sector due to onboard, it would be timely for those participants to enter an ecosystem with mature mandated NFR.

The ABA's view is that the mandating of NFRs is premature and should be considered and evaluated after ADI data holders have fully implemented the read access functionality of Open Banking[1]. The ABA puts forward several matters and recommendations for consideration by the DSB in respect to this decision proposal.

## 1. Proposed immediate mandating of NFRs

The ABA considers that all changes to standards, as a matter of good standards governance practice, ought to include a notice or transition period, we suggest at least 6 months (subject to the extent of the change required). Notice periods should be given when changing status from voluntary to mandatory even where there will be no changes to the voluntary standard. This is to give participants sufficient time to undertake testing and refinement of their solutions, especially those data holders who might want to improve their response times and who are anticipating a slower performance when more ADRs join the ecosystem. In this instance, some ABA members will require the additional time afforded by a transition period to analyse and optimise their solutions because of known concerns.

Further, the ABA believes that it is premature to mandate the NFRs immediately because:

- The tier two ADI data holders have only 3 months live ecosystem performance.
- The tier two ADI data holders have only delivered the first stage of their Open Banking solutions, therefore these entities are still in 'standing up' mode.
- Some data holders report that they have received no API calls.
- The Open Banking read solution is not expected to be fully implemented until 1 November 2022 by which time joint accounts, and business accounts will be launched by the initial ADI data holders and subsequently the tier two ADI data holders.
- The ecosystem has not experienced the volume and scale from a large number of participants.
- While the NFRs have not been binding, some NFR implementation and/or optimisation has been re-prioritised, mainly due perceived higher priority of delivering the phases (combined with

[1] In this paper, 'Open Banking' refers to the requirements for data sharing by ADIs under the Read Access scope of the CDR.

covid resource constraints). A timeframe to compliance will allow time to hire / repurpose resources to deliver/test the existing/remaining NFR implementation.

***The ABA recommends*** the NFRs not be mandated until after Open Banking read access has been fully implemented by data holders and data holders have had sufficient opportunity assess their systems in production, with the appropriate notification period, and with consideration to the matters raised in the points which follow.

## 2. Feedback of non-conformance

The ABA notes that the DSB, Treasury, and ACCC have each referred to anecdotal feedback they have received regarding non-compliance with NFRs. We are unclear how to respond to anecdotes without being provided with the evidence of the non-compliance. We welcome the opportunity to review evidence and if appropriate to rectify issues.

***The ABA recommends*** the appropriate CDR governance entity (DSB, ACCC, or Treasury) to establish a structured process where Data Holders and Accredited Data Recipients can consider and resolve matters relating to performance of voluntary NFRs.

## 3. Appropriateness of the current NFRs

The ABA's view is that the current NFRs may require further refinement or at least time needs to be taken to consider the following matters:

**Insufficient performance data**: Ecosystem volumes have been low, and solutions have not experienced load conditions with one or many concurrent consumers. Therefore, sufficient data has not been gathered to assess capacity of data holder systems.

**NFRs are large-ADI centric**: The NFRs were developed based on the capacity of the large ADIs. The scale of the data holder needs to be considered in setting the NFRs.

- Response time NFRs do not relate to scale of data holder operations; they are the same for all data holders irrespective of customer numbers.
- TPS NFRs have been skewed to the volumes of the large ADIs. As ecosystem participant capacity is diverse, the TPS NFRs may provide a disproportionate technological and financial burden on non-major bank ADIs to scale up their solutions (only to be left with significant redundancy).

**NFRs do not account for ADIs with multiple owned brands and white labels**: It is unclear whether the same NFR applies to the entity or to the brand. For example, if an ADI has four brands, does this mean that the NFR will be 1200TPS for the ADI? Such a requirement would introduce significant burden on the data holder.

Additionally, some data holders offer white label products incorporating multi-system, multi-entity data flows. The NFRs for these arrangements requires consultation. Data holders note that current response times should be adjusted so that they are not put into a situation where they are weighing compliance with NFRs together with customer experience(s). To illustrate, the ACCC presented scenarios where if a brand owner could not meet NFRs due to some or all CDR data being provided by one or more white label entity, the participants could make a decision to build a bespoke solution which is detached from existing online banking experience. In practice, this advice would result in a compromised customer experience in order to comply with NFRs.

**Non-digital products:** We have concerns for the performance impacts of bespoke data sets in disparate systems or data sets that are not digitally enabled. Legacy products, such as Passbook accounts, which were designed before the digital era, although housed in legacy systems were mandated for Open banking.

**GetAccountDetail API**: The Get Account Detail contains a heavier data load relative to other data sets. This API requires access to multiple systems in a single call. It would not be unusual to bring together 3-4 different sources of data for this API. The data burden of this API may challenge data holder's ability to meet the NFRs.

**Read access is growing in complexity**: The NFRs were developed at a point in time where a simpler Open Banking system was under design. Whilst the APIs remain static, the unique CDR entitlements rules per type of consumer has expanded. Subsequent consumer types such as business account users and secondary account users significantly increase complexity of Open Banking. These recent amendments mean that data holders need to make extra API calls internally to support the entitlement rules. For example, the NFR's did not consider:

- Secondary users
- Joint accounts (JAMs or DOMs)
- Business Accounts accessed from different online platforms and systems

**Framework for performance measurement**: There is no framework for modelling and measuring for consistency of latency, availability, and response times. Such a framework would need to consider that some systems which are designed to perform under load may perform better at high volume than they do under low volume. Further, there is no framework for determining the capacity of recipient systems; and data holders can only be held accountable for parameters within their control. For example, Dynamic Client Registration response NFR of 1000ms encompasses time spent by the data holder in calling other external APIs outside its control.

***Therefore, the ABA recommends:***

- Further guidance be issued by the DSB for modelling and measuring the NFRs, with consideration being given to:
    - Factors which are within the control of the data holder.
    - Understanding the difference in performance capacity amongst different participants in the ecosystem.
    - Contributory performance issues relating to the usage scenarios by data recipients.
- Consideration be given to the following proposed changes to the NFRs:
    - a proportionate approach to TPS. For example, setting the TPS based on the number of actual consents held by the data holder.
    - excluding the external network calls when measuring response time. For example, Dynamic Client Registration involves three separate calls.
    - accommodating both cloud-based and on-premises and in country or overseas data holder solutions. Although data holders are building solutions that can scale as traffic / demand increases, scalability is easier for cloud-based solutions rather than data centres which are hosted On Premise. The latter are much more difficult / costly to scale hardware on demand.

- issuing NFRs (or clarifications) for complex cases such as multi-branded ADIs, ADIs that offer white labels, non-digital/legacy products,
- review of the NFR for GetAccountDetail considering it requires multiple data sources to fulfil standards.

- That the DSB produce modelling on a rolling basis on the projected volumes of APIs calls within the CDR in 12 and 24 months. This will enable data holders to forecast their own volumes and scale their solutions to meet the projected volumes.
- DSB continue to analyse suitability of the NFRs using the data points from when the ecosystem implements the next compliance milestone in combination with the increasing ADR activity.
- The DSB commit to re-evaluate the NFRs once the CDR reaches the mature state or periodically based on actual ecosystem usage data.

## 4. Enforcement approach

Given the issues raised in the preceding points, the ABA is very concerned for the compliance and enforcement consequences if the DSB were to mandate the NFRs without notice and without consideration of the issues raised in this paper by both the DSB and the ACCC. This is because unlike other technical standards which are either implemented or not, NFRs can have a variable nature. A data holder can meet NFRs for a majority of days however an unplanned incident can adversely impact NFRs for a short period of time.

***The ABA recommends*** that the DSB engage the ACCC to develop an enforcement approach which considers the issues raised in this submission. Clarity on enforcement approach for NFRs to deal with the variability of NFR compliance would be appreciated.

Additionally, we request the ACCC advice which suggests the construction of a detached, bespoke white label solution to meet the NFRs be reconsidered.