

10 October 2024

Consumer Policy  
Building, Resources and Markets  
Ministry of Business, Innovation & Employment

Emailed to: [consumer@mbie.govt.nz](mailto:consumer@mbie.govt.nz)

## **ICNZ SUBMISSION ON OPEN BANKING REGULATIONS AND STANDARDS UNDER THE CUSTOMER AND PRODUCT DATA BILL**

1. Thank you for the opportunity to provide a submission on the Discussion Paper ‘Open Banking Regulations and Standards under the Customer and Product Data Bill.
2. Te Kāhui Inihua o Aotearoa / The Insurance Council of New Zealand (**ICNZ**) represents general insurers. ICNZ members provide a wide range of general insurance products including cyber insurance and professional indemnity insurance.
3. The Discussion Paper sets out proposals to implement open banking under the Customer and Product Data Bill and seeks feedback on the accreditation criteria that businesses must meet before they can become accredited to make requests on behalf of bank customers.
4. Our comments on the submission are limited to questions 19 – 21 which relate to the proposed insurance requirements that would apply to accredited requestors.

**Question 19: Do you consider that there is a significant risk of banks or customers not being fully compensated for any loss that might reasonably be expected to arise from an accredited requestor breaching its obligations?**

5. Yes, we consider that there is a significant risk. Accredited requestors will be a conduit and a potential point of failure or target for threat actors. They will potentially hold or have access to a large amount of valuable data. In the event of a very large breach they are highly unlikely to have resources sufficient to fully compensate affected parties, simply because the numbers could be so significant.

**Question 20: Do you have any comments on the availability and cost of professional indemnity insurance and/or cyber insurance, and how this may impact on the ability of prospective requestors to participate in this regime.**

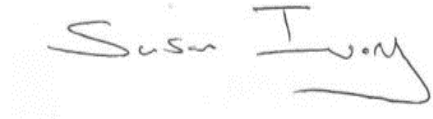
6. We presume that this cover is available in the UK and potentially Australia given the requirements that exist under those jurisdictions’ open banking regimes. It would not be currently readily available-locally and it is not clear whether it would become available locally when the new regime comes into effect given the exposure, specialisation and limited market. Costs are unknown.

**Question 21: Do you agree that a principles-based approach similar to the Australian CDR rules is an appropriate insurance measure?**

7. A principles-based approach makes sense at the outset given Australia has dealt with this issue. There is obviously cover that has been accessed by providers there. However, we note that even where insurance is currently available, this can change over time depending on insurers’ risk appetite and claims experience. We note that the Australian rules also allow accredited requestors to meet the accreditation requirements with a guarantee.

8. Please let me know if you have any questions about our submission or require any further information.

Yours sincerely

A handwritten signature in black ink that reads "Susan Ivory". The signature is written in a cursive style with a long horizontal flourish at the end of the name.

Susan Ivory  
**Regulatory Affairs Manager**