

illion's Response to the ACCC's Digital Platform Services Inquiry

Australia

August 2023



Background

illion Australia Pty Limited (**illion**) welcomes the opportunity to provide a submission (**Submission**) in response to the ACCC's Digital Platform Services Inquiry – March 2024 report on data brokers (**Inquiry**).

illion is a data and analytics business that provides trusted data and analytics services and expertise to the credit provider market and to other commercial enterprises in Australia and New Zealand. Formerly known as Dun and Bradstreet (Australia) Pty Limited, illion has been in operation since 1987. Over that time, illion has developed its data assets and insights, centred around its consumer and commercial credit bureaus, and expanding to incorporate other data and analytics services across a range of diversified data assets.

illion provides its customers with access to its data assets along with proprietary analytics capabilities and expertise to empower businesses to make informed risk management decisions. illion is a trusted facilitator of confident and accurate decision-making for customers across a multitude of industries including: financial services, telecommunications, utilities, commercial and government.

The services that illion offers encompass a variety of data products and services. The vast majority of these services (both from a volume and revenue perspective) relate to the assessment of credit risk and suitability in connection with its consumer and commercial credit bureaus. illion provides its bureau services to customers in the financial services industry and also other entities that operate on deferred payment terms including telecommunications, utilities, and other service providers. illion views that important function as an active role in the Australian economy which provides benefits to both lenders and borrowers.

These benefits include increased access to credit for consumers and borrowers, lender risk management, facilitation of responsible lending practices, reduction of systemic risks to credit providers (including service providers offering deferred payment terms), fraud prevention and financial services regulatory compliance (such as Anti-Money Laundering/Counter Terrorism Financing (**AML/CTF**)). This role is far more considered and important than just a passive 'data broker' or re-seller of raw data.

As a values-centred organisation, illion purposefully conducts its operations in a responsible, ethical, and compliant way, and aims to ensure that data is organised, secure, monitored and verified to a high standard. A data insights service is a detail-oriented, controlled and in many ways, a thoughtful service, that plays a vital role in the Australian economy.

In light of the exclusion of consumer bureau services and the ACCC's focus on third party data, illion's Submission is provided from illion's point of view of the current markets in which it provides the following data products and services (of which, the collector 360 and marketing services only represents a very small proportion of its overall business) (**Other Services**):

- (a) commercial bureau services;
- (b) commercial marketing services;
- (c) consumer marketing services;
- (d) identity verification services; and
- (e) collector 360 services.

illion's Other Services

illion overlays considerable 'thinking' and 'relevance' to commercial and financial data, as it intelligently digests, verifies, value-adds, aggregates and analyses its deep and varied data sets to provide tailored outcomes and insights for its customers.

In facilitating the confident and accurate decision-making of illion customers, the Other Services that illion offers are:

- (a) **Commercial Bureau Services:** these services are provided to illion's commercial customers and enable those customers to make decisions as to credit risk and suitability when offering credit (including by way of deferred payment terms) to other commercial entities. The relevant data used in relation to these services is provided by illion's customers (as part of a reciprocal bureau relationship) and also sourced from government suppliers such as ASIC. Such data includes: business data, commercial ownership including beneficial ownership for AML/CTF compliance, organisation control including executive and directorships, credit risk data (including financials), and trade payment data;
- (b) **Commercial Marketing Services:** these services are provided to illion's commercial customers and enable those customers to gain insights and related information for marketing their services to other commercial entities. Commercial marketing services are a subset of the commercial bureau services and are comprised of information regarding commercial businesses and business owners including: contact information, ownership, and financial information;
- (c) **Identity Verification Services:** these services are provided to illion's commercial customers and enable those customers to verify identification for purposes including fraud prevention and AML/CTF compliance. These services verify an individual's name, address, date of birth and government identifiers, against other data sets;
- (d) **Consumer Marketing Services:** these services are provided to illion's commercial customers and enable those customers to gain insights and related information for marketing their services to individuals. The relevant data comprises individuals' names, addresses, emails, and phone numbers typically collected from first party data brokers; and
- (e) **Collection 360 Services:** which assists illion customers by providing new or updated contact information for debtors that have relocated or for which they are unable to make contact with, in regards to outstanding debts.

illion's Other Services give its customers the ability to better understand risk in their operations. For example, illion's customers that purchase Commercial Bureau Services are typically credit service providers that offer financial products/loans to individuals or to businesses in Australia. Those credit providers are interested to understand the financial lending risk of a particular consumer or commercial entity, and make lending decisions on the basis of a trusted and expansive data source, without the need to own, manage or control that dataflow itself.

Given the wide range of datasets that fall within illion's Other Services, those services are commonly acquired by commercial organisations across a broad spectrum of industries and sectors of the Australian marketplace. Essentially, any company that seeks to better understand its supply chain, or strategically tailors marketing campaigns for better potential outcomes, could be interested in acquiring Other Services from illion.

illion largely supplies the Other Services on an aggregated data basis but also provides Other Services on an individual basis, categorised by the type of data and output being provided to customers, for example, electronic identity verification services.

The demand for illion's Other Services is high because illion reliably demonstrates that it is able to provide:

- (a) **insights into their suppliers** and assisting their understanding of the businesses they deal with, helping them to meet their AML/CTF obligations; helping them to manage credit risk, supplier, and supply chain risks;
- (b) **new insights** that help Australian businesses make informed decisions, for example: its Environmental Social Governance (**ESG**) score that illion is currently developing will give its customers insights into the ESG credentials and behaviours of their own customers and suppliers;
- (c) a valuable form of electronic **Identity verification** that enables illion's customers to verify that individuals opening accounts are 'real' individuals who validly hold their identities. illion's service assists in combating fraud and identity theft, while simultaneously enabling the digital economy to meet their compliance obligations (including AML/CTF compliance obligations) in real time;
- (d) **risk management insights** and tools, which assist customers to review and modify internal processes and decision-making tools to streamline their operations within pre-defined risk limits; and
- (e) **insights into prospective customers**, enabling them to target their marketing campaigns to their own customers (or prospective customers) who are most likely to be a good fit for their services, based on credit risk and credit demand.

Value-added insights, for example credit risk scores, geographic risk indexes, credit demand indexes etc, are generated by illion using the combined information that is available in the commercial bureau service database and other illion databases to create 'Products' that deliver subsets of the data to clients to solve specific problems. The collective 'thinking' generates a smarter and more user-friendly deliverable for illion customers.

illion Data Sources

illion operates by collecting data on consumers and businesses from public and private data sources. illion may obtain data direct from illion customers themselves; from data suppliers (or directly from a data source); or from proprietary-built sources or illion-sourced.

Notwithstanding the variety of illion data sources, a primary and foundational source of illion's commercial bureau services data is government registries and other publicly available sources. These government data sources form a backbone from which illion enhances and adds value to through additional sources and advanced analytics.

Data is typically collected by illion via bulk file uploads (e.g. in the case of illion's Trade Program participants), or through the transactional use of illion products, such as illion Direct, which generate enquiry data.

The type of information collected and stored in respect of Other Services will depend on the use-case e.g. risk vs marketing the data. This will also determine how that data is authorised to be accessed and/or used.

Competitive dynamics

illion competes in fast-growing markets of data service providers, analysers and aggregators in Australia. illion is focused on providing value to its customers through data and insights across more than one of the Other Services, not just its commercial bureau services.

The value of the data is a derivation of the depth and quality of the raw data; the value-added insights that illion generates; and the value that this derives for the customer's use-case to facilitate and inform their corporate or strategic objective.

The market demand is created when an organisation's need to collect, analyse and securely house data, is combined with a reduced cost and high-level specialist capability, which leads to the out-sourcing of that aspect of their operations.

The collective value that illion delivers to its customers enables them to make informed and responsible decisions about their businesses. illion actively seeks to build 'partnerships' with its customers over the long term and aims to compete by offering solutions to a customer's changing needs and not to just simply sell raw data that is not a considered, tailored output.

Further, with the rapid increase of data being created each day on online platforms, facilitated in some part by legislation focussed on data-sharing (such as the Consumer Data Right), there is likely to be new data sets available to be acquired or accessed by new entrants on a frequent basis in the near future, which may even simplify (and reduce the cost for) the process of entering the 'data broking' market.

Data Management

In the provision of illion's Other Services, illion importantly considers data management a key part of its operations including with respect to data security and storage.

Security of personal and business data is integral to illion's business. illion holds various certifications and accreditations (for example in the case of its commercial bureau service, illion is SOC 2 Type 2, SOC 1 Type 2, ISO 27001 and ISO 9001 certified). illion implements technology and information security controls to help protect the confidentiality, integrity, and availability of customer and illion data. illion always seeks to ensure that data is available when required, protected from unauthorised changes, and secure (i.e. only accessible by authorised persons).

illion actively takes steps to minimise risks of data breaches with appropriate information security controls and effects contractual arrangements that restrict the use of data for other purposes outside of the authorised permitted use.

In addition to the above measures taken around the security of data, illion applies a number of data management methodologies:

(a) Four 'V' Methodology, which includes an assessment of:

- **Volume:** breadth and depth of data;
- **Variety:** source data from a variety of sources;
- **Veracity:** use high quality data; and
- **Velocity:** maximise the rate / time to database.

(b) Six 'C' Methodology, which includes analysing the following core factors:

- **Complete:** Data universe is expansive and key elements have a high fill rates;
- **Current:** Data recency is understood and managed at both a record and element level;
- **Consistent:** Data lineage and consistency is maintained;
- **Clean:** Data is standardised, matched correctly and accurate;
- **Collaborative:** Data feedback cycles exist within illion, its clients and consumers; and
- **Compliant:** Data is permissibly sourced and used in a compliant manner.

These data methodologies drive the practices and protocols illion has in place with respect to management of the applicable data sets and illion has a dedicated team – the illion Data Management Team, who are charged with undertaking these activities on a daily basis.

Responsible Use

illion is a data-responsible organisation and there are key steps that illion considers important in an organisation in relation to data use both by illion and its customers:

- (a) **PIA:** A Privacy Impact Assessment is conducted and reviewed by the illion Privacy Compliance Officer to determine whether the data set involves personally identifiable or credit information or otherwise regulated by the privacy/data protection laws;
- (b) **Legal:** A legal review is conducted to determine whether the proposed use case for the data is permissible under law;
- (c) **Contract compliance:** A contract review is conducted to determine whether the proposed use case for the data is permitted under the data supply contract;
- (d) **Social responsibility, ethics and reputational risk:** A review is conducted to assess whether the proposed use-case is in line with illion's social responsibility obligations or would otherwise impact illion's reputation; and
- (e) **Artificial intelligence (AI) ethics principles:** illion is currently in the process of developing a set of principles in relation to AI and ethical obligations.

Use of illion data provided in connection with the provision of its Other Services, is carefully considered and supplied to its customers pursuant to provisions that appropriately limit a customers' use of any illion data to a pre-defined use-case.

Further, in respect of particular services, outputs provided by illion may be restricted in terms of their use, in accordance with product-specific obligations and restrictions that are appropriate (or required under law/regulation) based on the type of data being supplied, or the purpose for which illion obtained the data, particularly in relation to identity verification services.

Data Social Responsibility

Beyond the crucial data security and data management practices illion has in place to assist in safeguarding the data it holds (or has access to), illion has also been at the forefront of recent significant events in Australia and New Zealand where corporations have reported large scale data breaches impacting millions of individuals across these two countries.

illion has been proactive throughout the three major data breach events in Australia over the past 12-months or so, supporting consumers to put in place the necessary measures to reduce their risk of fraudulent activity occurring following the theft of their personal data. illion's position in the financial services data industry and its access to key identity data enables it to facilitate and assist consumers, and the industry, in helping to minimise the impacts of data breaches and electronic fraud.

illion is focussed on empowering its customers with trusted data sources, insights, and expertise in the data industry to build a collective knowledge and quantifiable risk management tools for the economy as a whole.

Please do not hesitate to contact us again should you need more information.

illion owns (or has appropriate licences for) all intellectual property rights in this Submission and the Submission must not be edited, copied, updated or republished (whether in whole or in part) in any way without illion's prior written consent.

