



# CDR outsourcing arrangements

## Fact sheet

June 2024

---

### Version Control

---

June 2024

Version 1

First version of fact sheet

## Table of Contents

1. Introduction.....	2
1.1. Consumer Data Right.....	2
1.2. CDR outsourcing arrangements .....	2
1.3. This fact sheet .....	2
2. OSP principals, providers, direct OSPs, indirect OSPs and OSP chain principals.....	3
2.1. Overview of the parties involved in CDR outsourcing arrangements.....	3
2.2. Parties to a CDR outsourcing arrangement .....	3
2.3. Where the OSP principal is an accredited person or CDR representative .....	3
3. CDR outsourcing arrangements.....	7
3.1. What activities can a provider do under a CDR outsourcing arrangement? .....	7
3.2. Who can engage a provider to collect CDR data on their behalf? .....	7
3.3. How many CDR outsourcing arrangements can an OSP principal or provider enter into? .....	7
3.4. Service data .....	8
3.5. Minimum requirements of a CDR outsourcing arrangement .....	8
4. OSP chain principal responsibilities and obligations .....	10
4.1. Accredited OSP chain principals.....	10
4.2. CDR representative principals .....	12
4.3. CDR representatives.....	13

# 1. Introduction

## 1.1. Consumer Data Right

The Consumer Data Right (CDR) gives consumers greater control over their data, enabling them to share their data with accredited data recipients (ADRs) to access better deals on everyday products and services.

A glossary of common terms is published on the [CDR website](#).

## 1.2. CDR outsourcing arrangements

An accredited person may wish to engage outsourced service providers to perform CDR data collection on their behalf and/or provide them with goods or services using CDR data. Similarly, a CDR representative may wish to engage outsourced service providers to provide them with goods or services using CDR data.<sup>1</sup> Such arrangements are allowed for under the [Competition and Consumer \(Consumer Data Right\) Rules 2020](#) (CDR Rules) as CDR outsourcing arrangements.

The requirements for a CDR outsourcing arrangement, and the parties involved, are set out in rule 1.10 and are outlined below in section 2 and 3. These requirements impose contractual obligations on outsourced service providers which mirror certain provisions of the CDR Rules and Part IVD of the *Competition and Consumer Act 2010* (Cth) (CCA).

The CDR Rules also contain requirements that the party engaging the outsourced service provider must meet, such as consumer information requirements and record-keeping and management requirements. These are outlined in section 4.

## 1.3. This fact sheet

This fact sheet contains general information on CDR outsourcing arrangements. It should be read together with the CDR Rules and Part IVD of the CCA.

Entities can also find more information in the Office of the Information Commissioner's (OAIC) privacy guidance for [outsourced service provider principals](#) and [outsourced service providers](#), and guidance about outsourced service providers in the [Privacy Safeguard Guidelines](#).

This fact sheet does not constitute legal or other professional advice and should not be relied on as a statement of the law. It is the responsibility of each CDR participant to be fully aware of its obligations under the CDR regulatory framework. We recommend that CDR participants obtain professional advice on how the CDR framework applies to their specific circumstances. Examples in this fact sheet are provided for illustration only; they are not exhaustive and are not intended to impose or imply particular rules or requirements.

The ACCC welcomes feedback on this fact sheet via email to [acc-cdr@acc.gov.au](mailto:acc-cdr@acc.gov.au).

---

<sup>1</sup> A CDR representative is a person without accreditation who participates in CDR through a written contract with a CDR representative principal, who is a person with unrestricted accreditation. See [CDR Representatives fact sheet](#) for further information. CDR representatives are precluded from directly conducting data collection activities or engaging an outsourced service provider to do so. See CDR Rules, rule 1.10AA(1)(b) and note to rule 1.10AA(3)(b).

## 2. OSP principals, providers, direct OSPs, indirect OSPs and OSP chain principals

### 2.1. Overview of the parties involved in CDR outsourcing arrangements

A CDR outsourcing arrangement is a written contract between an **outsourced service provider principal (OSP principal)** and an **outsourced service provider (provider)**.<sup>2</sup>

An OSP principal to a contract can be either an accredited person, CDR representative or third party that is an existing provider in another CDR outsourcing arrangement. A provider is able to enter a contract with another provider in a further CDR outsourcing arrangement, and in doing so become an OSP principal. These CDR outsourcing arrangements can apply repeatedly - that is, the second provider can subcontract to a third provider and so on, forming a 'chain'.<sup>3</sup> Where there is a chain of CDR outsourcing arrangements, the first OSP principal in the chain sits at the head of the chain as the **OSP chain principal**. Only accredited persons or CDR representatives can be OSP chain principals. It is important to note that each CDR outsourcing arrangement will always contain two parties - an OSP principal and a provider.

### 2.2. Parties to a CDR outsourcing arrangement

#### Outsourced service providers

An outsourced service provider (**provider**) is a person who enters into a CDR outsourcing arrangement with an OSP principal. The provider is engaged by the OSP principal to provide goods or services to the OSP principal in accordance with the CDR outsourcing arrangement. The provider may be an accredited person, CDR representative, or unaccredited third party.

#### OSP principals

An OSP principal is a person who has engaged a provider under a CDR outsourcing arrangement. An OSP principal may be either an accredited person, CDR representative or unaccredited third party who is an existing provider in another CDR outsourcing arrangement.

### 2.3. Where the OSP principal is an accredited person or CDR representative

The CDR Rules use additional terms to describe an OSP principal and provider/s, where the OSP principal is an accredited person or CDR representative and there are one or more CDR outsourcing arrangements in a chain. These are described below.

---

<sup>2</sup> CDR Rules, rule 1.10(3).

<sup>3</sup> A chain of CDR outsourcing arrangements may have one or more CDR outsourcing arrangements.

## Direct OSPs

If an accredited person or a CDR representative has entered into a CDR outsourcing arrangement with a provider, the provider is a direct outsourced service provider (**direct OSP**) of the accredited person or CDR representative.<sup>4</sup>

## Indirect OSPs

A direct OSP can engage another provider in a further CDR outsourcing arrangement.

In this situation:

- the direct OSP becomes the OSP principal in the further CDR outsourcing arrangement
- the accredited person or CDR representative who has the contractual relationship with the direct OSP is the OSP chain principal
- the provider in the further arrangement is an indirect outsourced service provider (**indirect OSP**) of the OSP chain principal.<sup>5</sup>

The indirect OSP can subcontract to another provider in yet another CDR outsourcing arrangement. This may occur repeatedly, forming a chain of CDR outsourcing arrangements. Where this occurs, each of the subsequent providers engaged in the 'chain' are indirect OSPs of the accredited person or CDR representative.<sup>6</sup>

Each CDR outsourcing arrangement (whether between an accredited person and a direct OSP, a direct OSP and an indirect OSP or between two indirect OSPs) will involve one party as the OSP principal and the other as the provider.

## OSP chain principals

Where there is a chain of CDR outsourcing arrangements, the accredited person or CDR representative who sits at the head of the chain is the **OSP chain principal** of each direct and indirect OSP in the chain.<sup>7</sup>

There will only be one OSP chain principal per chain of CDR outsourcing arrangements. However, an accredited person or CDR representative may be the OSP chain principal for multiple chains of CDR outsourcing arrangements.

Only accredited persons and CDR representatives can be OSP chain principals.

An accredited person or CDR representative that provides outsourcing services as a direct or indirect OSP cannot be the OSP chain principal in that particular chain.<sup>8</sup>

The below figures illustrate these relationships, with an accredited person as the OSP chain principal in **Figure 1** and a CDR representative as the OSP chain principal in **Figure 2**.

---

<sup>4</sup> CDR Rules, rule 1.10(1)(a).

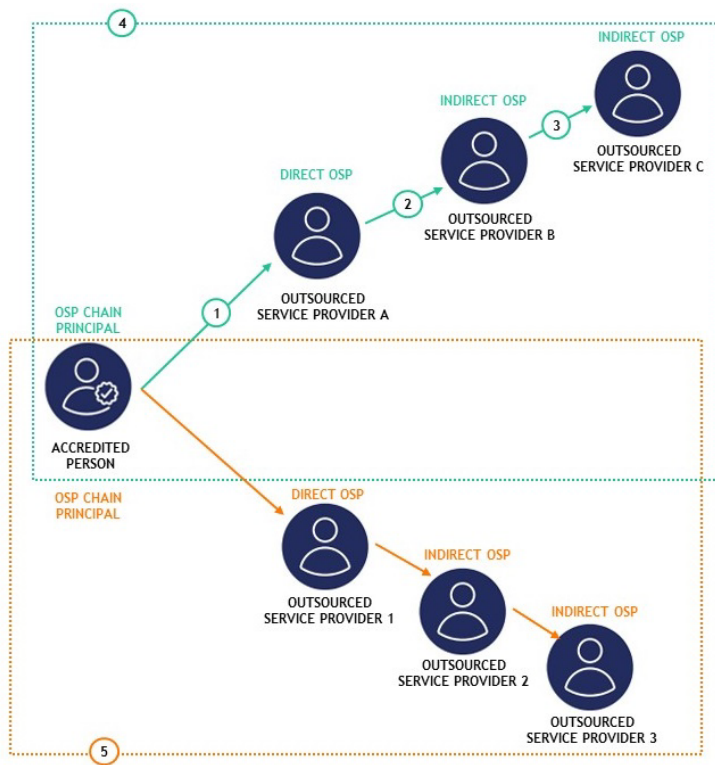
<sup>5</sup> CDR Rules, rule 1.10(1)(b).

<sup>6</sup> CDR Rules, rule 1.10(1)(c).

<sup>7</sup> CDR Rules, rule 1.10(1)(d).

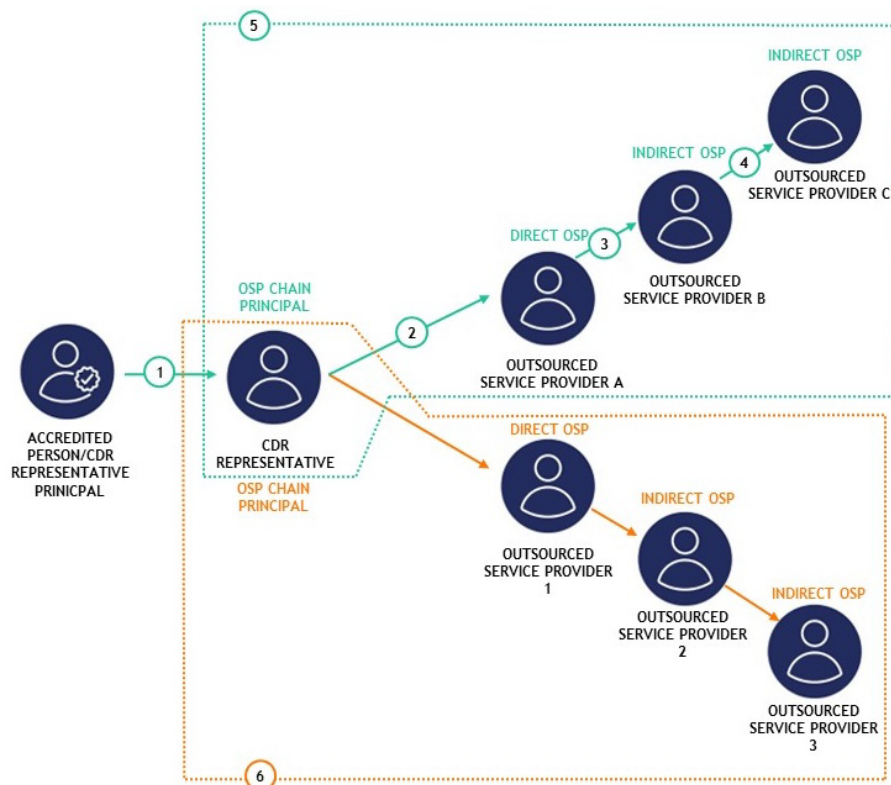
<sup>8</sup> CDR Rules, rule 1.10(2).

**Figure 1: Conceptual illustration of CDR outsourcing arrangements where an accredited person is the OSP chain principal**



1. An accredited person contracts to outsourced service provider A in a **CDR outsourcing arrangement**. In the CDR outsourcing arrangement, the accredited person is the **OSP principal** and outsourced service provider A is the **provider**.
2. Outsourced service provider A enters into a contract with another provider, outsourced service provider B, in a further CDR outsourcing arrangement. Outsourced service provider A becomes the OSP principal in this CDR outsourcing arrangement.
3. Outsourced service provider B enters into a contract with another provider, outsourced service provider C, in a further CDR outsourcing arrangement. Outsourced service provider B becomes the OSP principal in this CDR outsourcing arrangement.
4. In this 'chain' of CDR outsourcing arrangements:
  - the accredited person is the **OSP chain principal**
  - outsourced service provider A is a **direct OSP** of the accredited person
  - outsourced service provider B and outsourced service provider C are **indirect OSPs** of the accredited person.
5. The accredited person may be the OSP chain principal for multiple chains of CDR outsourcing arrangements.

**Figure 2: Conceptual illustration of CDR outsourcing arrangements where a CDR representative is the OSP chain principal**



1. An accredited person enters into a CDR representative arrangement with a CDR representative. In the CDR representative arrangement, the accredited person is the CDR representative principal.
2. The CDR representative contracts to outsourced service provider A in a **CDR outsourcing arrangement**. In the CDR outsourcing arrangement, the CDR representative is the **OSP principal** and outsourced service provider A is the **provider**.
3. Outsourced service provider A enters into a contract with another provider, outsourced service provider B, in a further CDR outsourcing arrangement. Outsourced service provider A becomes the OSP principal in this CDR outsourcing arrangement.
4. Outsourced service provider B enters into a contract with another provider, outsourced service provider C, in a further CDR outsourcing arrangement. Outsourced service provider B becomes the OSP principal in this CDR outsourcing arrangement.
5. In this 'chain' of CDR outsourcing arrangements:
  - the CDR representative is the **OSP chain principal**
  - outsourced service provider A is a **direct OSP** of the CDR representative
  - outsourced service provider B and outsourced service provider C are **indirect OSPs** of the CDR representative.
6. The CDR representative may be the OSP chain principal for multiple chains of CDR outsourcing arrangements.

## 3. CDR outsourcing arrangements

### 3.1. What activities can a provider do under a CDR outsourcing arrangement?

Under a CDR outsourcing arrangement a provider is engaged by the OSP principal to do one or both of the following:

- collect CDR data from a CDR participant in accordance with the CDR Rules on behalf of the OSP chain principal (only if the OSP chain principal has unrestricted accreditation)<sup>9</sup>
- use or disclose service data to provide specified goods or services to the OSP principal.<sup>10</sup>

Where the OSP principal is an OSP chain principal, the ‘specified goods or services’ referred to above must be for the purpose of enabling the OSP chain principal to provide the CDR consumer with the goods or services for which the consumer gave their consent for data or derived data to be collected.<sup>11</sup>

Where the OSP principal is not an OSP chain principal, the specified goods or services must be for the purpose of enabling the OSP principal to provide the goods and services specified in the CDR outsourcing arrangement for which it is the provider.<sup>12</sup>

### 3.2. Who can engage a provider to collect CDR data on their behalf?

While collecting CDR data from a CDR participant is one of the activities that a provider can do on behalf of an OSP chain principal, the CDR Rules restrict the parties who can engage providers to perform this service.

Only persons with unrestricted accreditation, or providers acting on their behalf, can engage outsourced service providers to collect CDR data on their behalf under a CDR outsourcing arrangement.

Persons with sponsored accreditation and CDR representatives cannot engage a provider in a CDR outsourcing arrangement to collect CDR data from a CDR participant on their behalf.<sup>13</sup> They can only engage a provider to use or disclose service data to provide them with goods or services. There is no such restriction on persons with unrestricted accreditation.

A provider, whether a direct or indirect OSP, can subcontract data collection services to another provider under a further CDR outsourcing arrangement, so long as the data collection is on behalf of the OSP chain principal with unrestricted accreditation.

### 3.3. How many CDR outsourcing arrangements can an OSP principal or provider enter into?

There are no restrictions on the number of CDR outsourcing arrangements an OSP principal or provider may have.

---

<sup>9</sup> CDR Rules, rule 1.10(3)(a)(i).

<sup>10</sup> CDR Rules, rule 1.10(3)(a)(ii).

<sup>11</sup> CDR Rules, rule 1.10(4)(a).

<sup>12</sup> CDR Rules rule 1.10(4)(b).

<sup>13</sup> CDR Rules, rule 5.1B(4), rule 1.10AA(1)(b) and note to rule 1.10AA(3)(b).



### 3.4. Service data

The minimum requirements of a CDR outsourcing arrangement govern the provider's handling of **service data**. Service data is any CDR data of a CDR consumer of the OSP chain principal held by a direct or indirect OSP that is collected by or disclosed to the provider for the purposes of or in accordance with a CDR outsourcing arrangement, or is directly or indirectly derived from such CDR data.<sup>14</sup>

### 3.5. Minimum requirements of a CDR outsourcing arrangement

Rule 1.10(3) sets out the minimum requirements of a CDR outsourcing arrangement, which are focussed on the provider's obligations in dealing with CDR data.

A CDR outsourcing arrangement is a written contract under which the provider:

- will collect CDR data from a CDR participant on behalf of the OSP chain principal and/or use or disclose service data to provide specified goods or services to the OSP principal<sup>15</sup>
- must comply with the OSP principal's CDR policy on the deletion and de-identification of CDR data and the treatment of redundant and de-identified CDR data<sup>16</sup>
- must comply with the following privacy safeguards in holding, using or disclosing any service data as if it were the OSP principal:
  - Privacy Safeguard 4 (destroying unsolicited CDR data)
  - Privacy Safeguard 6 (use and disclosure of CDR data)
  - Privacy Safeguard 7 (use and disclosure of CDR data for direct marketing)
  - Privacy Safeguard 8 (overseas disclosure of CDR data)
  - Privacy Safeguard 9 (adoption or disclosure of government-related identifiers)<sup>17</sup>
- must take the steps set out in Schedule 2 of the CDR Rules regarding security of CDR data to protect the service data as if it were an ADR<sup>18</sup>
- must not disclose service data other than to another direct or indirect OSP of the OSP chain principal, the OSP chain principal, or in circumstances where the disclosure of the service data by the OSP chain principal would be permitted under the CDR Rules<sup>19</sup>
- must not use or disclose the service data other than in accordance with a contract with the OSP principal<sup>20</sup>
- must, when directed by the OSP principal or OSP chain principal, provide the person with access to any service data that it holds<sup>21</sup>
- must, when directed by the OSP principal, OSP chain principal, or (if the OSP chain principal is a CDR representative) the CDR representative principal of the OSP chain principal:

---

<sup>14</sup> CDR Rules, rule 1.10(6).

<sup>15</sup> CDR Rules, rule 1.10(3)(a).

<sup>16</sup> CDR Rules, rule 1.10(3)(b)(i)(A).

<sup>17</sup> CDR Rules, rule 1.10(3)(b)(i). See sections 56EG and 56EI-56EL of the CCA for the relevant privacy safeguards.

<sup>18</sup> CDR Rules, rule 1.10(3)(b)(ii).

<sup>19</sup> CDR Rules, rule 1.10(3)(b)(iii).

<sup>20</sup> CDR Rules, rule 1.10(3)(b)(iv).

<sup>21</sup> CDR Rules, rules 1.10(3)(b)(v)(A)-(B) and rule 1.10(5)(a).

- in accordance with the CDR data deletion process, delete any service data that it holds and make a record of the deletion<sup>22</sup>
- provide records of deletion to the person
- direct any other person to which it has disclosed service data under a further CDR outsourcing agreement to take corresponding steps<sup>23</sup>
- must, if the provider is the OSP principal in a further CDR outsourcing arrangement, ensure that the provider in the further arrangement complies with the requirements of the arrangement, including in relation to service data that was disclosed to it by the OSP chain principal or another direct or indirect OSP of the OSP chain principal.<sup>24</sup>

---

<sup>22</sup> See rule 1.18 for the CDR data deletion process.

<sup>23</sup> CDR Rules, rules 1.10(3)(b)(v) and rule 1.10(5).

<sup>24</sup> CDR Rules, rule 1.10(3)(b)(vi).

## 4. OSP chain principal responsibilities and obligations

This section sets out the CDR responsibilities and obligations of OSP chain principals. The obligations are similar whether the OSP chain principal is an accredited person or a CDR representative. However, where the OSP chain principal is a CDR representative, some obligations sit with the CDR representative principal. This reflects that where there is a CDR representative arrangement in place, the CDR representative principal is ultimately responsible for the conduct of their CDR representative.

An accredited person may be both an OSP chain principal and a CDR representative principal. If this is the case, the accredited person should see sections 4.1 and 4.2 for a holistic view of their obligations.

For the minimum requirements that a provider must comply with, see section 3.5.

### 4.1. Accredited OSP chain principals

#### Liability and responsibility for outsourced service providers

Entering into a CDR outsourcing arrangement is a significant commitment for an OSP chain principal. Where it is an accredited person, the OSP chain principal bears ultimate responsibility for ensuring each of its direct and indirect OSPs complies with the requirements of their relevant CDR outsourcing arrangement.<sup>25</sup> An accredited person who is an OSP chain principal will breach a civil penalty provision if one of their direct or indirect OSPs fails to comply with a required provision of their CDR outsourcing arrangement.<sup>26</sup>

An accredited person may also be liable for non-permitted use or disclosure of service data by their direct and indirect OSPs, regardless of whether the collection, use or disclosure of that data is in accordance with the CDR outsourcing arrangement.<sup>27</sup>

An accredited person is liable where a direct or indirect OSP of the accredited person or one of its CDR representatives fails to comply with certain privacy safeguards in relation to service data of a CDR consumer as if that direct or indirect OSP was an accredited person or ADR. The relevant privacy safeguards are:

- Privacy safeguard 4 - destruction of unsolicited data<sup>28</sup>
- Privacy safeguards 8 - overseas disclosure<sup>29</sup>
- Privacy safeguard 9 - government related identifiers.<sup>30</sup>

This applies regardless of whether the direct or indirect OSPs are accredited persons and, in respect of privacy safeguard 4, regardless of whether the action of the direct or indirect OSP in relation to the service data is in accordance with the CDR outsourcing arrangement.

---

<sup>25</sup> CDR Rules, rule 1.16(1).

<sup>26</sup> CDR Rules, rule 1.16(2).

<sup>27</sup> CDR Rules, rule 7.6(1), (2) and (5).

<sup>28</sup> CDR Rules, rule 7.3B.

<sup>29</sup> CDR Rules, rule 7.8B(1).

<sup>30</sup> CDR Rules, rule 7.8B(2).

## Security of service data

An ADR who is an OSP chain principal is liable for the failure of its direct or indirect OSPs to comply with the information security requirements set out in Schedule 2 of the CDR Rules in relation to service data.<sup>31</sup> This may result in the ADR breaching a civil penalty provision.

## Information about outsourcing arrangements in CDR policy

The CDR Rules contain information requirements intended to ensure that an accredited person's outsourcing arrangements are transparent to consumers. An accredited person's CDR policy must list its direct and indirect OSPs and, where relevant, those of any CDR representative.<sup>32</sup> It must include the nature of the services provided by each direct and indirect OSP and the CDR data or classes of CDR data that may be disclosed to it or collected by it.<sup>33</sup> If based overseas, the countries that the direct or indirect OSPs are based in must also be stated.<sup>34</sup>

Accredited persons must ensure their CDR policies are kept up to date.<sup>35</sup>

## Information for the CDR consumer when asking for consent

When asking a CDR consumer to give consent, the accredited person must give the CDR consumer the following information about any outsourcing arrangements:

- a statement that the CDR data may be disclosed to, or collected by a direct or indirect OSP
- a link to the accredited person's CDR policy
- a statement that the consumer can obtain further information about disclosures of CDR data to a direct or indirect OSP from the CDR policy.<sup>36</sup>

## Record keeping

An ADR must keep and maintain records that explain:

- any CDR outsourcing arrangement to which the ADR, or a direct or indirect OSP of the ADR, is a party
- the use and management by each direct or indirect OSP of CDR data collected by it or provided to it under the relevant CDR outsourcing arrangement
- the steps the ADR has taken to ensure that each direct or indirect OSP complies with the requirements of the relevant CDR outsourcing arrangement, including how their direct OSPs ensure compliance by indirect OSPs.<sup>37</sup>

---

<sup>31</sup> CCA, s 56EO and CDR Rules, rules 7.11(1) and (2).

<sup>32</sup> CDR Rules, rule 7.2(4)(f).

<sup>33</sup> CDR Rules, rule 7.2(4)(g).

<sup>34</sup> CDR Rules, rule 7.2(4)(i).

<sup>35</sup> Section 56ED(3) of the CCA and rule 7.2.

<sup>36</sup> CDR Rules, rule 4.11(3)(f).

<sup>37</sup> CDR Rules, rule 9.3(2)(ia). Note additional reporting obligations apply if the ADR is a CDR representative principal, see part 4.2 of this guidance.

## 4.2. CDR representative principals

### Liability and responsibility for outsourced service providers

CDR representatives can also be OSP chain principals with direct and indirect OSPs (see **Figure 2**). In this situation, the accredited person who has engaged the CDR representative - that is, the CDR representative principal - is responsible for ensuring that each direct and indirect OSP engaged by its CDR representative complies with its requirements under the relevant CDR outsourcing arrangement.<sup>38</sup> The CDR representative principal will breach a civil penalty provision if a direct or indirect OSP of one of their CDR representatives fails to comply with a required provision of their CDR outsourcing arrangement.<sup>39</sup>

The CDR representative principal who is an ADR may also be liable for non-permitted use or disclosure of service data by their CDR representatives or the direct or indirect OSPs of their CDR representatives, regardless of whether that use or disclosure is in accordance with the CDR representative arrangement or CDR outsourcing arrangement.<sup>40</sup>

A CDR representative principal is liable where the direct or indirect OSPs of its CDR representatives fail to comply with certain privacy safeguards in relation to service data of a CDR consumer as if that direct or indirect OSP was an accredited person or ADR. The relevant privacy safeguards are:

- Privacy safeguard 4 - destruction of unsolicited data<sup>41</sup>
- Privacy safeguards 8 - overseas disclosure<sup>42</sup>
- Privacy safeguard 9 - government related identifiers.<sup>43</sup>

This applies regardless of whether the direct or indirect OSPs are accredited persons and, in respect of privacy safeguard 4, regardless of whether the action of the direct or indirect OSP in relation to the service data is in accordance with the CDR outsourcing arrangement.

### Security of service data

An ADR who is a CDR representative principal is liable for the failure of a CDR representative or the direct and indirect OSPs of its CDR representative to comply with the information security requirements set out in Schedule 2 of the CDR Rules in relation to service data.<sup>44</sup> This may result in the ADR breaching a civil penalty provision.<sup>45</sup>

### Record keeping

A CDR representative principal must keep and maintain records that record and explain the following in relation to each CDR representative:

- any CDR outsourcing arrangements to which one of its CDR representatives, or a direct or indirect OSP of its CDR representatives, is a party

---

<sup>38</sup> CDR Rules, rule 1.16(3).

<sup>39</sup> CDR Rules, rule 1.16(4).

<sup>40</sup> CDR Rules, rules 7.6(1), (2) and (4).

<sup>41</sup> CDR Rules, rule 7.3B.

<sup>42</sup> CDR Rules, rule 7.8B(1).

<sup>43</sup> CDR Rules, rule 7.8B(2).

<sup>44</sup> CDR Rules, rule 7.11(3).

<sup>45</sup> CCA, s 56EO and CDR Rules, rule 7.11.

- the use and management by each direct or indirect OSP of CDR data collected by it or provided to it under the relevant CDR outsourcing arrangement
- the steps that the CDR representative principal and the CDR representative have taken to ensure that each direct or indirect OSP complies with the requirements of the relevant CDR outsourcing arrangement, including how their direct OSPs ensure compliance by indirect OSPs.<sup>46</sup>

### 4.3. CDR representatives

#### Information for the consumer when asking for consent

When asking a CDR consumer to give consent, a CDR representative must give the CDR consumer the following information about any outsourcing arrangements:

- a statement that the CDR data may be disclosed to, or collected by a direct or indirect OSP of the CDR representative or of the CDR representative principal<sup>47</sup>
- a link to the CDR representative principal's CDR policy<sup>48</sup>
- a statement that the consumer can obtain further information about collections or disclosures of CDR data for which consent is requested from the CDR representative principal's CDR policy.<sup>49</sup>

---

<sup>46</sup> CDR Rules, rule 9.3(2A)(ka).

<sup>47</sup> CDR Rules, rule 4.20E(3)(k).

<sup>48</sup> CDR Rules, rule 4.20E(3)(j).

<sup>49</sup> CDR Rules, rule 4.20E(3)(l).