

FAR Reaction: “It’s time to Architect Trust into the Australian Financial Sector” – Zachary Zeus, BizCubed CEO

Tech sector veteran urges financial services sector commitment to Trust Architecture, starting with the data ecosystem

SYDNEY – 14 Dec 2023 – In response to the updated Financial Accountability Regime (FAR), a recommendation from the Hayne Royal Commission that was recently passed in the Australian Parliament, BizCubed CEO Zachary Zeus presents a data-based framework that he has coined ‘trust architecture’ for satisfying the new requirements.

FAR will impose stricter accountability obligations on superannuation funds, banks and insurers. Banks will be required to align with this strengthened framework from APRA and ASIC as of March 2024, and it comes into effect for other financial institution types a year later.

After decades of observing and supporting the financial sector as a data engineer, Zeus cautioned, “Trust is easier to destroy than it is to build, but it can be built. Similar to the concept of security architecture, trust is something that has strategic, operational, and technical dimensions. It can, and must, be architected and this should be a priority for every financial institution working to comply with FAR.”

Zeus – a qualified expert contributor to the United Nations Centre for Trade Facilitation and Digital Business (UN/CEFACT) working across numerous digital trust projects – presented on Trust Architecture at the recent Future of Financial Services conference in Melbourne. Explaining the phrase, Zeus urged financial institutions to architect data processes and business outcomes so that – even if individual failures may occur – the business’s technical, operational and people systems will not fail.

“Every customer interaction needs to reinforce the trust proposition in order for financial services firms to maintain their social license to operate,” said Zeus. “That requires a data ecosystem that forms a bedrock for trust.”

Data Ecosystems have the Potential to Undermine Trust

Since banks are data firms at their core, with every transaction recorded as digital information, Zeus urges every financial institution to consider its data ecosystem as the digital twin – or the digital representation – of the business.

“Data management issues are obstacles to rebuilding trust,” said Zeus. “Financial services organisations must ensure their data ecosystems are intentionally architected for trust, so their efforts to rebuild consumer confidence will not be undermined by data issues that impact customer experience, that do not provide compliance controls, and that perpetuate vulnerabilities in the network.”

Watch: [Your Data Ecosystem is the Digital Twin of your Business](#)

Mind Shift Required: From Centralised IT to Business Outcomes

“In contrast with the tech sector's shift toward centralised IT, code-driven outcomes, and technical complexity, business teams must take ownership of their data outcomes,” said Zeus.

According to Zeus, trust has to be architected into the data ecosystem with a clear objective to achieve outcomes particular to each line of business.

“After all, business teams are the ones that own the day-to-day transactions and every customer touchpoint throughout the customer lifecycle. They should have ownership of their data processes and outcomes within an appropriately controlled and compliant organisation,” said Zeus.

Zeus compares this to the way that business teams are held accountable for their profit and loss (P&L) statements. Even though the finance team does much of the work associated with the P&L, business team leaders are held accountable for their unit’s financial performance. Similar to managing a P&L, business teams should take ownership of their unit’s digital twin and leverage effective data management to support innovation, improve adaptability, and drive growth.

Architecting Data Ecosystems that Leverage Open Standards

In sharing these recommendations, Zeus is looking ahead to the future of data sharing.

“What we’re seeing in the market is that governments, regulators, and consumers are increasingly demanding verifiable information about the goods and services being traded,” said Zeus. “We’re seeing this at the local level with Digital Identity, Open Banking and the Consumer Data Right, but how do you scale it up globally and across every sector? A UN Traceability Protocol has been developed for this purpose.

According to Zeus, architecting trust into a financial institution’s data ecosystem is a prerequisite for taking advantage of open protocols to outcompete.

“Where we’re really seeing this playing out is in the ESG space. As different jurisdictions begin placing tariffs on high-carbon goods, for example, the ability to demonstrably verify that a product is carbon-neutral becomes a competitive differentiator. For financial services, this has a significant impact on the value of investment portfolios, risk profiles, and even their own supply chains. But it all starts with having a strong data foundation.”

This means addressing, fixing, documenting and controlling data processes at a business team level to ensure they are consistent and compliant while maintaining the highest standards in security and personal information protection.

There must also be over-arching monitoring, auditing and whole-of-business risk management controls built-in at an organisational level, to provide and automate the necessary oversight to ensure compliance in this changing regulatory environment.

The objective is to operationalise making it easier to do the right thing than it is to do the wrong thing, which is Zeus’ definition of “operational excellence”.

As financial institutions take steps to align with the strengthened FAR framework from APRA and ASIC, this cohesive, layered approach will enable data workflows, innovation, hyper-personalisation and the competitive edge that comes with data-driven operations, whilst ensuring the level of risk management and control that will win back trust.

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About BizCubed

BizCubed is an Australian data engineering firm that takes the pain out of data to enable organisations to make better decisions each day. The firm has embedded principles of industrial engineering, systems thinking, and complexity science into data operations. Honed over 18 years, the BizCubed Data Engineering Methodology transcends technology stacks, architectural paradigms, cloud maturity stages, as well as legacy and modernised environments serving as a flexible and scalable conceptual foundation. BizCubed improves its customers’ data architecture and data operations and empowers business teams to own their data assets.

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