

Manager  
Media Unit  
The Treasury  
Langton Cres, Parkes ACT 2600

15 February 2023

By email only: [media@treasury.gov.au](mailto:media@treasury.gov.au)



Australian Payments Network (**AusPayNet**) thanks Treasury for the opportunity to respond to its consultation on ACCC's digital platform regulatory reform recommendations. We are supportive of regulatory measures that stop scams at source, which would then prevent the loss of funds (estimated at \$4B in 2022<sup>1</sup>) from the Australian economy. In particular, our submission supports protecting consumers and the codification of collaboration between digital platforms and other sectors to develop an effective whole of economy scams response strategy. In that context, this response focuses on mandatory processes for digital platforms to prevent and remove scams (per ACCC's recommendation 2).

### About AusPayNet - Membership and role

AusPayNet is the industry association and self-regulatory body for the Australian payments industry. We manage and develop procedures, policies and standards governing payments in Australia. Our purpose is to enable competition and innovation, promote efficiency, and control and manage risk in the Australian payments ecosystem. AusPayNet currently has over 150 members, including Financial Institutions (FIs), operators of Australia's payment systems, merchants, and financial technology companies.

### Context - Addressing weak links to make Australia a hard target for scammers

A five-year analysis of ACCC Targeting Scams Reports<sup>2</sup> shows that digital platforms (mobile apps and social networking in ACCC's typology) are the fastest growing contact method for scams and that, on that definition, total losses from digital platforms are close to matching total losses from telecommunications.

According to the most recent ACCC Targeting Scams Report, the two types of scams in Australia with the highest losses were investment scams (\$177M) and romance scams (\$56M). In these two scams, scammers often collect useful personal data and use social engineering tactics through digital platforms to coax victims to instruct their financial institutions to make payments.

Together, these data show digital platforms' significant role in stopping scams at source, and in warning other sectors to stop suspicious transactions.

---

<sup>1</sup> ACCC, 7 November 2022, 'Scams Awareness Week 2022 empowers Australians to spot a scam' (Media Release) ([link](#)).

<sup>2</sup> ACCC, *Targeting Scams: Report of the ACCC on Scams Activity in 2017-2021* (Reports) ([link](#)).

Q1. Do you agree with the ACCC's conclusion that relying only on existing regulatory frameworks would lead to adverse outcomes for Australian consumers and businesses? What are the likely benefits and risks of relying primarily on existing regulatory frameworks?

AusPayNet agrees with ACCC's conclusions that reliance on existing regulatory frameworks would have unintended adverse outcomes for Australian consumers and businesses for the following reasons:

1. Burden on end-users

AusPayNet supports the Government's commitment to introduce new codes for digital platforms that clearly define responsibilities for protecting consumers and businesses from scams.

AusPayNet also suggests a complementary program of consumer education, noting that there are examples in other jurisdictions of digital platforms using their reach to inform consumers of efforts to combat scams and to help consumers and businesses understand where to seek assistance quickly.

2. Regulatory or legislative barriers to the sharing of data

Much of the relevant current legislation was developed at a time where the focus was on securing data within a company to protect the privacy and reputation of the customer and to limit information sharing solely to authorities so as not to alert wrongdoers (e.g. the tipping-off provision in the AML/CTF Act).<sup>3</sup> Such legislation works against ACCC's recommendation 2, specifically verification of users and public reporting on mitigation efforts.

Where communication and collaboration are required with other sectors in the economy for the purpose of preventing scams, AusPayNet suggest Treasury and ACCC consider a National Anti-Scams Code to provide a strong foundation for cross-sectorial discussions, data-sharing and decision-making. We also note that alongside AusPayNet, Communications Alliance and the Digital Industry Group Inc. (DIGI) have solid experience in developing industry codes, and suggest that such industry peak bodies and the ACCC could co-design such a National Anti-Scams Code.

Q8. Do you agree with the ACCC recommendation to introduce targeted measures on digital platforms to prevent and remove scams, harmful apps and fake reviews? Are there any other harms that should be covered by targeted consumer measures, for example, consumer harms related to the online ticket reselling market for live events?

AusPayNet is supportive of the ACCC recommendation to introduce targeted measures, especially the verification of users and public reporting on mitigation efforts. We note that appropriate verification of users, especially with the use of advanced technology such as biometrics or digital identity, could assist in preventing individuals engaging in scams in the first place. We also note that this proposed recommendation could helpfully encompass the provision of warnings to financial institutions to stop transactions.

<sup>3</sup> AUSTRAC, 25 August 2021, 'How to comply and report: guidance and resources on tipping off', *Tipping Off* (Web Page) ([link](#)).

## Conclusion

AusPayNet appreciates the opportunity to respond to the Digital Platform Regulatory Reform consultation. We see the ACCC recommendations as a positive step to address scams at source.

We welcome the opportunity to further engage with the Treasury on the issues raised in this submission. Please contact Ms Siew Lee Seow, Head of Policy ([sseow@auspaynet.com.au](mailto:sseow@auspaynet.com.au)), if you have further questions.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Andy White', with a horizontal line underneath.

Andy White

**Chief Executive Officer**

**Australian Payments Network**