

## Submission to The Government's Public Consultation on its Scams Prevention Framework

The Australian government's scams prevention framework is a positive initial step, but its effectiveness is limited by the absence of one single, but crucial, component.

Scams have devastating consequences that extend beyond financial loss; they can lead to tragic outcomes, including loss of life. In July 2024 it was revealed that a teenager in Victoria took their own life just two days after being scammed on Snapchat. In June 2024 another report revealed that a father ended his life after falling victim to a scam on Facebook. In April 2024 it was reported that within hours of facing threats from an online scam, a teenager in NSW died by suicide. In a USA example, a teenager in Michigan tragically committed suicide shortly after being scammed on Instagram. The FBI revealed that over 20 minors have committed suicide due to online scams in recent years. There is little doubt that scam related suicides are vastly under reported. Investigations have shown that scam victims are one of the highest risk groups for experiencing severe depression, thoughts of self-harm and suicidal thinking.

The examples above signal that Australia cannot afford to have a less than effective scam prevention strategy; any ineffectiveness may result in even more tragic losses of life. To improve its effectiveness, the government's scam prevention strategy needs to add the crucial component that banks and social media organisations must reimburse consumers who fall victim to scams while using the online platforms of those organisations. A non-negotiable reimbursement policy for banks will be a vital motivator, as it will drive them to invest their considerable resources into preventing customers from paying money into the bank accounts of scammers. Similarly, a non-negotiable reimbursement policy for social media organisations will drive them to invest their world leading technology expertise into preventing scammers from exploiting their online platforms.

Past experiences in my practice as a psychologist have shown that the threat of fines does not effectively deter negative behaviour. Many people exceed speed limits despite being fully aware that speeding risks significant fines and increased risks of accidents. Many people cheat our tax system despite the existence of significant penalties for tax evasion. Our banks have been found to violate their own codes of conduct even though their violations risked serious fines and other penalties. Fines do not foster responsible corporate behaviour because people often believe they can either evade detection or mitigate the fines through legal representations. However, a non-negotiable reimbursement policy for banks and social media organisations would shift this mindset.

Despite inevitable pushback from banks and social media organisations, a non-negotiable reimbursement policy will make the government's scams prevention strategy more effective and it will also help to minimise further scam related suicides in teenagers and adults.



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