

2nd October 2024

Scams Taskforce
Market Conduct Division
Treasury
Langton Crescent
PARKES ACT 2600

Dear Taskforce Members,

**Re: SCAMS PREVENTION FRAMEWORK - Exposure Draft Legislation
FEEDBACK ON EFFECTIVENESS OF DRAFT LEGISLATION**

BRIEF

Thank you for the opportunity for submission with feedback on the proposed Scams Prevention Framework and exposure draft legislation. I am writing the Taskforce as a consumer with experience in banking, telecommunications and online platforms with this feedback primarily focused on the banking sector.

THE PROBLEMS

Upon review of the Summary of Reforms document dated September 2024, I didn't know whether to laugh or cry. *This proposed 'new' framework merely restates existing multi-tiered self-regulatory frameworks and is fatally flawed, doomed to failure, and, can be likened to leaving the fox to look after the hen house.*

Since the Hayne Royal Commission and 'Fees for No Service', there's been nothing to deter Banks themselves and related third parties from scamming the banks' own customers with already 3 of Australia's 4 major Banks having been caught in the act. *This proposed 'preventative' framework and stated policy objectives to protect small business' and individual, notably without any means of restitution for financial loss can never ever be effectively achieved.*

As a pragmatic example of this same pre-existing regulatory framework, I was scammed for \$440,000 and the Bank gave me lip service before palming me off to AFCA who never bothered to ask the Bank for a 'final response'. ASIC in turn advised that it wasn't their job to enforce AFCA's compliance obligations. Banks were so upset, my electronic devices were hacked and evidence destroyed along with attempts of judicial interference to prevent recovery of financial losses.

Most unfortunately, whilst folks at several banks and AFCA were buzzing around like busy little bees and breaking all the rules to hide tracks of wrongdoing, they failed to realise that by their own stupidity, they had in fact created a mile wide evidence trail of systemic maladministration and misconduct, were active participants in scamming their own customers, and, demonstrated the farcical nature of our entire 'self-regulatory' IDR/EDR process. Supporting fully documented evidence is available upon request.

This example thus clearly demonstrates:

- 1. Fatal inescapable flaws that doom this proposed Scams Prevention Framework to failure, leaving consumers high and dry without any proper means whatsoever for recompense; and,***
- 2. Reinforces the imperative for Government and Treasury to take the bull by the horns with affirmative action to adopt some other alternate 'regulatory Framework' to achieve stated policy objectives and effectively protect consumers, individuals and small business' from harm.***

THE SOLUTIONS

1. Adopt the successful UK now enacted legislation to reimburse the victims of scams

This world leading framework incentivises banks to voluntarily do all the things to prevent, detect, report, disrupt, respond to scams without any of this proposed legislation or penalties, as well as the Banks implementing effective systems to promptly recover and return those monies obtained by fraud, back to their individual and small business customers who else-wise don't have the time, money and resources to do it themselves. This alternate framework is notable in also being transferable to telecommunications and online platforms to help dramatically reduce scam related activities.

2. Adopt the International best practice standard for complaints handling

This initiative will help realign focus for Banks to improve their operations and competitiveness both within Australia as well as Internationally in world markets through building robust, accessible and transparent IDR processes. Once again, adoption of this International standard will also benefit both telecommunications and online platform providers to improve their operations.

CLOSE

John was former acting chair of AFCA's Financial Elder Abuse Working Group and, chief architect of several online platforms in fields of waste management, training and education.

The imperative for Government now to take affirmative and progressive action to combat the scourge of scams with innovative alternate regulatory frameworks with effective consumer protections in whole of ecosystem, economy-wide reforms. This proposed Scams Prevention Framework and draft legislation is fatally flawed, will cost a whole bundle of wasted money, time and energy, and, needs to be tossed and replaced with something much better.

Yours Faithfully,



John Kopetko
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