



**Australian Government**  
**The Treasury**



Ministerial Submission  
MS23-000080

**FOR ACTION - Stakeholder Feedback from Consultations on the Government's Strategic Plan for the Payments System**

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**TO:** Treasurer - The Hon Jim Chalmers MP

**CC:** Assistant Treasurer and Minister for Financial Services - The Hon Stephen Jones MP

**TIMING**

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**Key Initiatives**

**Reduce the prevalence of scams and fraud**

**Feedback:** s 22  
Consumer groups and the ACCC specifically want new obligations imposed on banks to identify and prevent scams including:

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**Proposed Approach for the Strategic Plan:**

The Strategic Plan can note the Government initiatives to combat scams including:

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- **Requiring banks to provide a confirmation of payee service:** this would see an obligation on banks to provide a service that allows customers to check that the name of the payee matches the account number type on every type of payment. Banks argue consumer education should instead be the focus to push consumers towards using the existing PayID service as a safer transaction method where a confirmation of payee service is already enabled. To enable a confirmation of payee service on BECS (direct entry system), banks noted the large investments needed to upgrade the technology on the legacy BECS payment system, which industry is transitioning away from.

- **Government's payment system reform agenda:** The Government has already committed to consulting in 2023 on a new payments licensing framework and the Strategic Plan can provide further details on timeframes. The Government will consider options to bolster consumer protections against scams in the process of developing the new licensing framework. The ePayments Code (currently voluntary) will be made mandatory as part of the licensing framework. The ePayments Code provides safeguards to reimburse consumers who lose money to an unauthorised transaction such as when their accounts are hacked. It also places obligations on financial service providers when a customer mistakenly sends money to the wrong account number.

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