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Negligent anti-scam compliance an inexcusable oversight by Telstra

Consumers expect their telcos to be following basic rules to protect their critical accounts, and news of Telstra’s failure to follow well established customer ID processes is deeply disappointing, says ACCAN, the peak body for Australian communication consumers.

Customer ID rules exist to protect consumers against misuse of their accounts, loss of services or other fraudulent activity. The ACMA has today found Telstra failed to follow these rules for 168,000 high-risk customer interactions, including over 7000 interactions concerning customers identified as being in vulnerable situations. A penalty of \$1,551,000 has been levied as a result.

According to the ACMA, Telstra’s non-compliance has put consumers at risk of SIM-swap fraud, identity theft, account compromise and financial loss.

ACCAN CEO Carol Bennett said that Telstra’s actions were inexcusable given national cross-sector efforts to reduce the impact of fraud and scam activity in Australia.

“The news of this breach is deeply disappointing and highlights once again the need for cross-sector reform of scam prevention arrangements to ensure that consumers are protected from increasingly complex scams.

At a time when consumers are being asked to adopt new technologies, educate themselves and be proactive to avoid being scammed, a major telco has once again abrogated their responsibilities to protect their customers privacy and livelihoods.”

“It is unacceptable that Telstra has failed to follow these identification processes on over 160,000 occasions, exposing consumers to unnecessary and significant risks to their personal finances. It signals the need for strengthened legislation, higher penalties and better enforcement.”

“This should be more than just a wake-up call for Telstra. As a provider of an essential service, they need to put their customers first. The first step in doing this is following regulatory requirements. As the ACMA has made clear, victims of mobile fraud lose on average \$28,000. Through their negligence, Telstra has put consumers at risk of scam losses of this magnitude,” Ms Bennett concluded.

Consumers should immediately contact their telco provider and financial institution if they suspect they have fallen victim to a scam. ACCAN encourages consumers to report scams to **Scamwatch**.

If your identity has been stolen or compromised, contact **IDCARE**.

The Australian Communications Consumer Action Network (ACCAN) is Australia's peak communication consumer organisation. The operation of ACCAN is made possible by funding provided by the Commonwealth of Australia under section 593 of the Telecommunications Act 1997. This funding is recovered from charges on telecommunications carriers.

ACCAN is committed to reconciliation that acknowledges Australia's past and values the unique culture and heritage of Aboriginal and Torres Strait Islander peoples. [Read our RAP](#)
