Friday 31 May 2019

Scam Technology Project
Australian Communications and Media Authority
email: unsolicitedcommsprojects@acma.gov.au

Dear Scam Technology Project Team

Re: Response to Discussion paper: Combating scams – technological solutions

The Australian Communications Consumer Action Network (ACCAN) welcomes the opportunity to provide feedback on the Australian Communications and Media Authority's (ACMA) discussion paper: *Combating scams – technological solutions*. ACCAN is Australia's peak communications consumer organisation representing individuals, small businesses and not-for-profit groups as consumers of communications products and services.

ACCAN is concerned with the increasing prevalence of scam activity in our communities. In particular, we are concerned that scam activity over telecommunications networks disproportionately harms vulnerable consumers. Feedback from the community confirms that consumers who have less confidence using technology or less familiarity with the English language are more likely to suffer harm than other general consumers. Therefore, we welcome the ACMA's efforts to investigate options to combat scam activity.

Opening comments

ACCAN supports efforts that will provide a consistent framework to minimise scam activity so that all consumers are protected from scams, regardless of their provider. We recognise that a range of industry, regulatory and consumer responses are necessary to reduce harm caused by scams. We see a role for the ACMA to monitor levels of co-operation and information-sharing between network operators and retail service providers (RSPs), and to ensure anti-scam strategies are adopted as widely as possible in the interest of consumers.

Shifting the responsibility for avoiding scam activity on individual consumers places an unfair burden on them, as they are less able to identify and manage such risks. Consumers' technological strategies for scam avoidance include purchasing a premium phone handset with call-blocking capabilities,[1] or downloading a call-filtering smartphone app that offers in-app purchases. We strongly believe consumers should not need to expend in order to avoid scam activity.

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[1]Telstra Call Guardian 301 landline handset requires callers to speak their name before the call is connected, so the recipient can hear the name of the caller and block the call if they wish. This handset is the most expensive twin handset sold by Telstra at $72 outright, $13 more than the second highest price point. https://www.telstra.com.au/home-phone/handsets#features, accessed 24 May 2019.

Networks are much better placed to identify and minimise the risk of scam activity than individual consumers. We note AMTA/CA's joint submission to this review and welcome their engagement in discussing potential solutions to combat scams and fraud. We support their sentiment that while a technological solution may combat one type of scam activity, scammers constantly develop new and more advanced methods to undertake scams[2]. ACCAN agrees with AMTA/CA's position that consumer awareness is important to pursue alongside technological responses and information-sharing. Additional points we make are that:

- Responses should not be limited to these two approaches;
- Improvements to information-sharing should be explored not just between RSPs and network operators at a technical level, but also across the entire realm of stakeholders (eg. law enforcement, regulators, network operators, RSPs and general consumers) and at various points throughout cycles of scam activity (eg. at the point at which consumer contact information is shared between scammers);
- Information-sharing should clearly lead to technical solutions implemented by the industry to assist in blocking scam communications.

In this submission we focus our comments on the impact of scam activity on consumers, and possible awareness raising activities to minimise the risk of harm to consumers. We feel that ACCAN does not have the technical expertise to comment on the viability of solutions at a network operator and RSP level.

Consumers' experiences of and responses to scam activity

Overall, experiences of scams vary between community groups, and technological solutions to scams (eg. call-screening smartphone apps) are not widely used in CALD communities and amongst older Australians.

Through consulting with consumers about this submission, we have come to understand from AMES Australia that most recent migrants rarely have computers at home or fixed line Internet connections, but most have a mobile phone. Thus, these consumers are highly vulnerable to text-based scams. They are also especially vulnerable to scams that impersonate Australian authorities. For example, there was widespread panic amongst many migrants about the recent ATO scam regarding taxes owed.[3] Recent migrants were particularly sensitive to this scam as they are highly cautious of their standing with local authorities and may have less of an understanding of Australian government processes. We found that recent migrants predominantly check with their social networks (family, friends and community members) about suspected scam activity, rather than using technological solutions to block scams.

We also know that older people are more vulnerable to phone scams as they are the largest proportion of fixed line telephone users. ACCAN members Australian Seniors Computer Clubs Association (ASCCA) and Council of the Ageing Australia (COTA Australia) consider that older people are more likely to report scam activity than other demographics; this could be attributed to having more time or capacity to do so compared to younger people. This could also be attributed to the

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[2] AMTA-CA Submission, ACMA Combating scams. A discussion paper on technological solutions, May 2019, p.3.
[3] https://www.scamwatch.gov.au/news/warning-about-tax-scams, accessed 24 May 2019.

high level of trust many older people have in the authorities, or the fact that landlines are simply more targeted by scammers. There is a concern from these groups that if scam activity increases without knowledge of efforts to combat it, people will be less inclined to report as they won't see the point.

Moreover, it is likely that scam activity is under-reported by older people due to the shame or embarrassment victims might feel, or through not knowing where to report this activity. Through our consultation we found that older people rely on their existing scam knowledge to identify and respond to scam behaviour by ignoring it or reporting it. This poses a significant problem: while older people may be well-informed about avoiding fake offers or threat-based scams, newer forms of scams like phishing are harder for them to identify and ignore.

Awareness raising activities to assist consumers combat scam activity

Consumers may have a suspicion that a communication is not legitimate and is likely to be a scam. However, it takes a great deal of confidence to avoid or report these interactions. ACCAN commends ACCC and industry efforts to assist consumers with online information to confidently identify scams.

For consumers who are not online or have limited awareness about these resources, different approaches are necessary. We note AMTA/CA's submission which states that education from trusted sources is essential to consumer protection, because individual-led strategies to avoid scams do not always work[4]. We agree that there is great potential to improve consumer awareness campaigns, particularly through the funding of community organisations that engage with hard to reach consumers, using resources developed by government.

From our consultations with member organisations we understand that word of mouth is one of the most powerful channels to share information throughout the community, particularly to consumers from culturally and linguistically diverse (CALD) communities. Word of mouth information-sharing relies on frontline community groups to be well-resourced with accurate and relevant information on hand. Client-facing community groups we spoke to that employ staff such as teachers, trainers, and social workers are informed of current scams via email (like Scamwatch alerts) and are in a position where they can communicate face-to-face with consumers.

We also heard that newsletters and other printed materials like brochures are useful information sources, particularly for older consumers. These materials should be provided in easy English and other widely spoken languages in the community. Warnings about scam activity delivered via non-English speaking television or radio-stations are a good information-sharing alternative for people with low levels of English literacy. It would assist these communities if Scamwatch alerts and similar material could be provided in multiple languages and formats to assist information sharing. For example, posters in multiple widely spoken languages could be placed in supermarkets, community centres, or places of worship.

Retail service providers (RSPs) can also supplement community education initiatives by contacting customers about scams directly. We strongly recommend that during periods of high scam activity, RSPs directly notify consumers of what to look out for, or how to distinguish legitimate vs. fake

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[4] AMTA-CA Submission, ACMA Combating scams. A discussion paper on technological solutions, May 2019, p.3.

communications from the relevant provider. We recommend RSPs communicate this in a method normative to or previously nominated by the customer. For example:

- People with fixed line voice services only who receive paper bills could be sent a letter;
- Fixed broadband customers could be emailed;
- People on mobile plans could receive a text in the same way they would be notified of promotional offers or payments that are due.

This ensures that even the hardest to reach consumers could be made aware of scam activity and would be better prepared to safeguard themselves against potential harm.

Thank you for the consideration of our submission. Please contact us on the details below should the ACMA require any further information.

Regards

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