



15 May 2020

Communications Alliance

Re: Response to Draft Reducing Scam Calls Industry Code (DR C661:220)

The Australian Communications Consumer Action Network (ACCAN) welcomes the opportunity to provide feedback on the draft *Reducing Scam Calls Industry Code* (DR C661:220). 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 about 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.

The increase in scam calls to consumers in the context of the COVID19 pandemic is a concerning new development, with the Australian Competition and Consumer Commission's Scamwatch receiving more than 2000 reports since the start of the crisis and in April 2020 notching up the highest number of scam reports ever. Scammers pretending to be government agencies providing information on COVID-19 have been sending text messages 'phishing' for consumer information and containing malicious links to steal personal and financial information.¹ In one case, a consumer duped by a scammer posing as his superannuation provider was lured into giving away \$600,000 in early release superannuation to the fraudster.

ACCAN therefore welcomes the release of this draft Code by the Communications Alliance as a coordinated industry response to the threat of scam activity. The release of the Code acknowledges the important role the telecommunications industry can play in the control of scam calls which pose a risk to consumers. However, we would like to see revisions to the Code as follows:

- Regulation and oversight provisions strengthened;
- Industry coordination facilitated by an independent regulatory body;
- Industry contacts recorded in an independent data exchange;
- A more proactive approach to consumer education; and
- More specific timelines and broad-reaching objectives.

¹ www.scamwatch.gov.au/types-of-scams/current-covid-19-coronavirus-scams#phishing-government-impersonation-scams

Role of the TIO (s1.6)

We note that in s1.6, the draft Code does not confer powers or functions on the Telecommunications Industry Ombudsman (TIO) under section 114 of the *Telecommunications Act 1997*. ACCAN submits that the Code **should not prevent** consumers from going to the TIO for assistance with complaints about scam phone calls, so long as they have already raised the issue with their RSP and been dissatisfied with the response.

Regulation and oversight (s5.1)

We acknowledge that the requirement in s5.1.1 and s5.1.2 for the collection and maintenance of a contact matrix of C/CSPs contact details on the Communications Alliance website is intended to facilitate increased co-operation and information-sharing between network operators and retail service providers (RSPs). ACCAN hopes that this will ensure anti-scam strategies are adopted as widely as possible by the telecommunications industry.

However, ACCAN recognises the significant burden maintaining the web-based contact matrix will place on the Communications Alliance. A more centralised storage facility similar to the independently operated Australian Financial Crimes Exchange, would offer a viable alternative to this arrangement. Consideration should also be given to this functionality being hosted by the ACMA which has a significant role to play in the oversight and regulation of the industry's implementation of anti-scam strategies.

Consumer information about scam calls (s3.1)

We welcome the inclusion of the provision in s3.1 requiring C/CSPs to keep consumers informed about emerging scam call related fraud risks and up-to-date guidance on how to manage these risks. However, we would like to see the Code take a more proactive approach to consumer education with an approach tailored to the needs of individual community groups. Rather than directing C/CSPs to “make available, including on their websites, up-to-date guidance material for customers”, we suggest a provision offering more specific guidance – e.g. C/CSPs “must inform customers via email notification, text, mail and in person” of emerging scam threats and how to mitigate them.

Targeted communications are important in reaching all consumers. For consumers who are not online or have limited awareness about these resources, different approaches are necessary. Older consumers are less likely to access websites, so printed newsletters, brochures, letters and public posters are more useful information sources in contacting this community group. Making these messages available in multiple languages will also enable the CALD community to be protected from the threats posed by scam calls. Retail service providers (RSPs) can also supplement community education initiatives by informing customers about scams in store.

Timeframes (s4.6 and s4.7)

We note that in s4.6 and s4.7 the timeframes for enforcement and action by the industry in response to scam calls are to be implemented ‘as soon as practicable’. While we appreciate that it is preferable to not have timeframes published in the Code to prevent scammers ‘gaming the system’, we submit that there should be time-bound obligations reinforced in other unpublished arrangements. It is important that there are firm timeframes applied to industry responses to

ensure that consumers receive a prompt resolution to scam activity preventing further financial and other losses, and that the disruption to scam calls intended by the Code is as effective as possible.

Objectives (s1.4)

ACCAN considers that the objectives in s1.4 of the Code are framed too narrowly. The objectives here are operational and process-oriented, establishing processes by which the regulators and C/CSPs will work with each other, but there should be further provision in s1.4.1 which addresses the overall objective of disrupting scam activity. One of the objectives should reflect the overarching goal of the Code, which is to 'disrupt scam calls activity'.

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

Regards

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