

Australian Competition and Consumer Commission
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Australian Payments Network (AusPayNet) welcomes the opportunity to respond to the Australian Competition and Consumer Commission's (ACCC) Discussion Paper for Interim Report no. 5: *'Updating Competition and Consumer Law for Digital Platform Services.'* AusPayNet supports ACCC's review to improve consumer protection, including requirements on digital platforms to deal more effectively with online scams.

AusPayNet Membership and Role

AusPayNet is the industry association and self-regulatory body for the Australian payments industry. We manage and develop procedures, policies and standards governing payments in Australia. Our purpose is to enable competition and innovation, promote efficiency, and control and manage risk in the Australian payments ecosystem. AusPayNet currently has over 150 members, including financial institutions, operators of Australia's payment systems, merchants, and financial technology companies.

Introduction

AusPayNet recognises the importance of consumer trust in supporting a healthy digital economy, which is underpinned by a reliable and safe payments ecosystem. In line with our principles-based approach, we believe that prevention is better than compensation, and that a chain is only as strong as its weakest link.

In consultation with our members and partners, we have developed an industry strategy which takes a data-led and holistic approach to scam prevention, detection, and resolution. On this basis, AusPayNet thanks ACCC for the opportunity to share relevant insights from the payments industry and its existing work in response to:

- Consultation question 11(b) on what additional measures are necessary or desirable to adequately protect consumers against scams, harmful content, or malicious and exploitative apps.
- Consultation question 13 on whether digital platforms that operate app marketplaces should be subject to additional obligations regarding the monitoring of their app marketplaces for malicious or exploitative apps.

In particular, AusPayNet is pleased to highlight that several of the actions in its payments industry scam mitigation strategy are in accord with the ACCC's suggested options, and we are keen to collaborate with or keep the ACCC informed on these actions. Our wider scams strategy also envisages broadening our engagement to include digital platforms (as well as telecommunications and internet service providers) to drive discussions towards an effective cross industry response to prevent scams at source.

Payments Industry Collaboration in Scams Prevention, Detection and Resolution

Participants across the payments industry are working together to protect end users from fraud and scams. This includes collaborating with law enforcement and sharing intelligence to target offenders harming our community and economy. The industry continues to invest heavily in providing resources and technical solutions to protect customers and mitigate risk. For example, one technical solution is the New Payment Platform's use of PayID. A summary of current work regarding the enablement of scams prevention, detection and resolution is set out below.

Industry Scams Strategy

[Launched on 12 November 2021](#), the scams strategy is a collaboration between AusPayNet, the Australian Banking Association, Australian Financial Crimes Exchange (AFCX), and IDCARE. The coordinated approach will build on existing industry efforts by focusing on five key pillars of work:

1. **Improving knowledge and information sharing** among industry participants to better respond to evolving scam trends and evaluate the impact scam prevention efforts are having (led by AusPayNet).
2. **Setting industry standards** by collaborating to determine best practice and ensuring more consistent industry positions, stakeholder engagement, responses to scams and customer support (led by AusPayNet).
3. **Minimising the impact of scams on affected customers** by ensuring they receive clear, effective, and timely support and staff are well trained to assist them (led by AusPayNet with specialist input from IDCARE).
4. **Maximising customer awareness of scams** by developing and implementing industry-wide programs to facilitate greater awareness of scams and where to go for help (led by ABA).
5. **Enhancing data collection** by consolidating and expanding data collection on scams and generating insights to help drive scam-prevention responses (led by AFCX).

AusPayNet Economic Crime Forum to Improve Knowledge and Information Sharing

Through its Economic Crime Forum, AusPayNet promotes collaboration between its financial institution members, Australian law enforcement, Australia's intelligence agencies, and the AFCX. The AFCX provides contemporary data delivering insights into the top threats, enabling the Economic Crime Forum to focus on the key priorities, engage government partners, increase consumer awareness, and develop crime prevention strategies and technical risk mitigation controls.

AusPayNet in Setting Industry Standards

In January 2020, AusPayNet and ID Care released identity theft and scam response standards and guidelines. These guidelines include minimum response measures by payment industry organisations to effectively manage and identify theft and scam related risks; ensure that response measures and processes have examined the likely impact on customers prior to application; and practical guidance when engaging with customers who may have experienced scams. AusPayNet has commenced a review to update these guidelines to ensure that they remain fit-for-purpose and in alignment with ACCC's current thinking in its proposed reform options (such as the drafting of dispute resolution processes and ensuing requirements).

Issue at Hand - Importance of Digital Platforms and Gap in Cross-Industry Dialogue

Participants in the payments industry are focused on the three largest categories of scams: investment scams; dating/romance scams; and remote access scams (including business email compromise)¹, all of

¹ AFCX, Scams Report January - December 2021.

which are commonplace on digital platforms. Scammers target and groom potential victims, in channels including but not limited to social media platforms, telecommunications services, internet search engines, and digital forums and dating applications, as well as by email and SMS. Our members have provided many case studies where scammers groom their victims to bypass technical controls/warnings, financial institution intervention, or even law enforcement intervention. However, our industry sits at the end of the scam chain of events and participants are generally required to facilitate payments once they have received consent and an instruction to process a payment. In addition, in most cases (e.g. in the case of investment scams and dating/romance scams), because the payor has been groomed, such a payment is being made to the payor's intended payee.

For these reasons, AusPayNet supports the ACCC's recommendations in placing obligations on digital platforms to prevent scams early in the scam chain of events and is open to assist in coordinating cross-industry dialogues to shape the appropriate requirements. Logically, as well as digital platforms, telecommunications and internet service providers should be involved in such dialogues. In that regard, AusPayNet recognises initial work undertaken in, for example, the Australian Communications and Media Authority's Telecommunications (Mobile Number Pre-Porting Additional Identity Verification) Industry Standard 2020 and Communications Alliance's Industry Code C661:2020, Reducing Scam Calls. As noted previously, we would be keen to assist the ACCC in driving discussions towards an effective cross-industry response to prevent scams at source.

Conclusion

Many scams are initiated via digital platforms. By ensuring digital platforms take responsibility for preventing scams at their inception, the flow on effects of scams, including their egregious impact on end users, will be minimised. AusPayNet is grateful to the ACCC for the opportunity to provide its feedback and remains ready to assist the ACCC through its current work programme, including through the facilitation of cross-industry discussions to streamline existing requirements to mitigate scams. Please contact [REDACTED], Head of Economic Crime, [REDACTED], or [REDACTED], Head of Policy, [REDACTED] if you have any further questions.

Yours sincerely

[REDACTED]
Chief Executive Officer
Australian Payments Network