



AUSTRALIAN COMMUNICATIONS INDUSTRY FORUM

INDUSTRY GUIDELINES

ELECTRONIC CUSTOMER AUTHORISATION

ACIF G562 MAY 2000

Industry Guidelines – *Electronic Customer Authorisation*

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Introduction

These Industry Guidelines have been developed by the Australian Communications Industry Forum (ACIF) in response to developments in technology and the interest expressed by the industry in moving towards the implementation of electronic methods of customer authorisation.

These Guidelines set the principles which industry participants should have regard to in developing and determining methods of obtaining and transferring customer authorisations by electronic means (as an alternative to written means), for the purposes of drafting, interpreting and applying ACIF Codes and/or bilateral agreements between industry participants.

These Guidelines do not specify the ways in which an industry participant may deal with a customer, other than where a customer's authorisation arising out of those dealings is, or may be required to be, transferred to another industry participant.

These Guidelines incorporate the Terms of Reference developed by the ACIF Customer Authorisation Committee, and the Recommendation developed by the ACIF OCRP/WG3 – *Future Methods of Customer Authorisation* Working Group.

These Guidelines do not substitute for any obligations that an industry participant must comply with under law, including but not limited to obligations contained in the *Telecommunications Act 1997*, the *Privacy Act 1988*, the *Trade Practices Act 1974*, the *Electronic Transactions Act 1999*, the *Telecommunications Interception Act 1979* and the *Telecommunications (Consumer Protection and Service Standards) Act 1999*.

These Guidelines may be reviewed as considered necessary from time to time.

Cate Farley
Chairman
OCRP/WC17 – *Future Methods of Customer Authorisation* Working
Committee

**INDUSTRY
GUIDELINE**

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1. SCOPE

- 1.1 These Guidelines are intended to provide guidance when obtaining electronic customer authorisation in setting out the means by which that electronic authorisation is to be stored and made available to other industry participants for verification purposes.
- 1.2 Electronic customer authorisation is the process whereby a customer's authorisation for an industry participant to perform a service or to otherwise act on his or her behalf is recorded and transmitted by electronic means, rather than by paper or facsimile.
- 1.3 These Guidelines also deal with the electronic transfer between industry participants of authorisations that have been collected from the customer by electronic means.
- 1.4 These Guidelines have been developed in recognition of the *Electronic Transactions Act 1999*, and seek to reflect the spirit of that Act.
- 1.5 These Guidelines apply to carriers and carriage service providers and their representatives. References to industry participants, carriers and carriage service providers include their representatives.
- 1.6 These Guidelines are intended to be voluntary, with industry participants not required to use electronic methods of customer authorisation. However, where an industry participant chooses to use such methods it should do so in accordance with these Guidelines and as specified in the relevant ACIF Code or other requirement.
- 1.7 These Guidelines should not be regarded as a substitute for independent legal advice.
- 1.8 These Guidelines set out:
 - (a) general principles applicable for obtaining electronic customer authorisation;
 - (b) general principles applicable to the exchange of electronic customer authorisations between industry participants; and
 - (c) general principles applicable to storage and availability of electronic customer authorisations.
- 1.9 These Guidelines are intended to be sufficiently flexible to permit electronic customer authorisations to be obtained using existing and future technologies. However, it is intended that where future technologies are used to obtain electronic customer authorisations, these technologies should allow for the information to be securely retained for a period of time and verifiable by another industry participant in a convenient manner.
- 1.10 These Guidelines do not deal with:
 - (a) specific procedures by which an industry participant may deal with a customer;
 - (b) specific technological requirements other than for the purposes of compatibility; or
 - (c) the legislative obligations of carriers and carriage service providers with respect to use of customer information, including confidentiality obligations.

2. PARTICIPANTS

The group that developed these Industry Guidelines consisted of the following organisations and their representatives:

Representative	Organisation
Cate Farley (Chairman)	Cable & Wireless Optus
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Penny Quarry	Redfern Legal Centre
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Pat McNamara	SETEL
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Stephen Munning	Telstra Corporation
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Robyn Ziino	Vodafone Network

Chiang Lim of ACIF supplied project management support.

3. GENERAL PRINCIPLES

- 3.1 Industry should utilise, where appropriate, technologies which allow for increased use and efficiency in gaining customers' authorisations, but should do so in ways which have regard to the requirement for the privacy of the customer.
- 3.2 Industry processes which incorporate new technologies should have a minimal impact on the existing systems and processes relating to existing Industry Codes, and as a matter of principle should not result in a reduction in the information received from or transmitted to the customer and should be compatible between the industry participants.
- 3.3 Industry participants may choose to use one or more types of customer authorisation according to their business requirements and the market segments they wish to target.
- 3.4 Industry Codes developed by the ACIF may contemplate the requirement that industry participants obtain customer authorisations and that, in certain circumstances, industry participants exchange this information.
- 3.5 In order for these exchanges to operate smoothly, industry participants recognise the importance of agreeing to common systems of operation which allow industry participants to continue to innovate.
- 3.6 In determining industry processes for obtaining, storing, transferring and auditing electronic customer authorisations, consideration should be given to the following key principles:
 - (a) equivalence with the quality of information yielded by existing methods of information transfer;
 - (b) the accuracy of the information;
 - (c) the auditability of the information;
 - (d) protection of the privacy of the information;
 - (e) the prevention of fraud with respect to obtaining and transferring the information;
 - (f) the ease with which the information can be transferred;
 - (g) the lowering of administrative costs; and
 - (h) the reduction of time spent on administrative processes.
- 3.7 Recognising these general principles, the ACIF has developed these voluntary Guidelines for consideration.

4. AUTHORISATION PROCEDURE

- 4.1 Where a customer authorises an industry participant to perform a service or otherwise act on his or her behalf, using an electronic method in lieu of a written signature, that industry participant may be required to transfer the authorisation information to one or more other industry participants. There are three stages to this transfer:
- (a) the exchange of information between the customer and the industry participant;
 - (b) the transfer of information between that industry participant to one or more other industry participants; and
 - (c) the transfer of information between an industry participant and the customer upon that customer requesting the information.
- 4.2 The minimum information required to effect an authorisation should be the same information that is currently required to be collected in a paper format and consistent with the applicable ACIF Industry Code or other requirement.

Obtaining the Authorisation

- 4.3 Industry participants should obtain electronic customer authorisations in accordance with the following Guidelines:
- (a) the information should be collected in a form that is concise, relevant and comprehensible;
 - (b) a method should be used to identify the person;
 - (c) the authorisation method used should be as reliable as is appropriate for the purposes for which the information is communicated;
 - (d) the person who authorises the transaction should acknowledge that they are providing authorisation for that transaction to the industry participant;
 - (e) for authorisations where a customer's voice is being recorded, the recording should include that customer's consent for authorisation purposes;
 - (f) any industry participant seeking to rely upon an electronic authorisation should be able to show, if requested, that it has complied with any applicable legal requirements in relation to disclosure to the customer of the terms and conditions of the relevant transaction;
 - (g) each industry participant should organise the information transferred to other industry participants in a consistent manner for each authorisation method used. For instance, each industry participant should develop a consistent script for all electronic voice recordings, and a consistent form for all Internet authorisations;
 - (h) in the absence of electronic signatures or other generally accepted identification methods, the industry participant should obtain appropriate information to confirm the identity of the end user requesting the transaction; and
 - (i) industry participants should provide the customer with confirmation of that customer's electronically authorised

transaction within 10 business days of the transaction being successfully processed, or such other time period as is specified in the relevant ACIF Code or other requirement.

Transferring the Information

- 4.4 When transferring the information under Clauses 4.1(b) and 4.1(c), the providing industry participant should ensure that the information is:
- (a) formatted in a computer program, which is compatible with a standard computer program determined by ACIF from time to time;
 - (b) contained within a discrete file pertaining to the specific transaction to which the information relates;
 - (c) in a form which is able to easily be exchanged between industry participants in accordance with industry agreed processes (if any);
 - (d) stored securely for a period of time as contemplated by ACIF Codes or ACIF requirements;
 - (e) in a form which is retrievable and verifiable by industry participants and customers or customers' agents within the timeframes required by the relevant Industry Code or other ACIF requirement;
 - (f) unedited and not manipulated in any material way;
 - (g) where the technology allows, in a form which allows the information to be printed; and
 - (h) in a form which allows the customer to be provided with a receipt or verification of the transaction at the customer's request.

5. DISPUTE RESOLUTION PROCEDURES

- 5.1 Disputes pertaining to electronic customer authorisation, or arising out of these Guidelines should be dealt with under the dispute resolution procedures relating to the transaction to which the dispute relates, including, when relevant, provisions of the ACIF Code Administration and Compliance Scheme.

The Australian Communications Industry Forum Ltd (ACIF) is a communications self-regulatory body established in 1997 by the industry to manage communications self-regulation within Australia.

The primary role of ACIF is to develop and administer Technical Standards, Industry Codes, Industry Guidelines and industry support services that promote both the long-term interest of end-users and the efficiency and international competitiveness of the Australian communications industry.

ACIF is an industry initiative, funded and resourced by the industry, with a membership that encompasses all industry sectors. ACIF comprises a Board, Advisory Assembly, Executive, six standing Reference Panels and a number of task-specific Working Committees.

Technical Standards, Industry Codes and Industry Guidelines are prepared by Working Committees made up of experts from industry, consumer, government, and other bodies. The requirements or recommendations contained in ACIF's published documents are a consensus of views of representative interests and also take into account comments received from other sources.

Care should be taken to ensure that material used is from the current version of the Standard, Code or Guideline and that it is updated whenever the Standard, Code or Guideline is amended or revised. The number and date of the Standard, Code or Guideline should therefore be clearly identified. If in doubt please contact ACIF.



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