8 May 2020

Dear Communications Alliance

Public submission in relation to Reducing Scam Calls Industry Code

The Australian Competition and Consumer Commission (**ACCC**) welcomes the Communications Alliance's Reducing Scam Calls Industry Code (the **Code**). We support the telecommunications industry in working together to find ways to disrupt scams and better protect Australians from the harm caused by scams.

In 2019, scammers' preferred contact method was by phone. Scamwatch, run by the ACCC, received 69,521 reports about phone scams with total financial losses of $32.5 million. So far in 2020 (to 31 April) we have received 13,101 reports about phone based scams with over $15.8 million lost. The ACCC considers that government, private organisations, law enforcement and the community all have a role to play in scams prevention.

In relation to the overall objectives of the Code outlined in the introductory statement, the ACCC is concerned that the emphasis is on enforcement rather than disruption. Our objective is to disrupt scams and make Australia a harder target for scammers, making it a less attractive place for them to direct their scam calls. Enforcement is complex and lengthy, and on its own not the most effective mechanism to address scam conduct. Further, as many scammers are based overseas, identification of scammers and commencement of proceedings requires international cooperation that is not always possible. Enforcement action across different jurisdictions is a lengthy process that isn't the most effective way to prevent future scams. By focusing our efforts on disrupting scams before they occur, we can prevent Australians from suffering the often devastating financial and emotional consequences.

The ACCC recognises the importance of using data and technology to combat phone based scams. As such, we will commit to share relevant anonymised Scamwatch data with a small group of large carriers. We will communicate regularly with these carriers to ensure we are maximising the use of our limited resources in sharing this data. We would appreciate regular information about how useful the data is and the actions that have been enabled through its provision.

While we support any future enforcement action that may arise under the Code, we expect carriers to use Scamwatch data (along with other information as contemplated by the Code) to trace and stop scam calls as soon as possible. Preventing these calls reaching Australians is an effective way to minimise or prevent harm caused by scams. We will seek feedback from the carriers regularly to ensure that this is occurring.

We would encourage the Communications Alliance and industry to consider establishing a streamlined pathway to share data with carriers, similar to the Australian Financial Crimes Exchange (**AFCX**). The AFCX is used in the banking sector to coordinate intelligence and data-sharing activities to fight financial and cyber crime.

We also note that the ACCC has previously provided specific comment on the provisions of the Code. To the extent that these have not already been addressed, we encourage the Communications Alliance to reconsider these.

Yours sincerely

Tim Grimwade
Executive General Manager
Compliance and Product Safety Division