

## Submission

**20 March 2024**

Communications Services and Consumer Division  
Department of Infrastructure, Transport, Regional Development, Communications and the Arts  
GPO Box 594  
Canberra ACT 2601

### **Re: Fighting SMS Scams – What type of SMS sender ID registry should be introduced in Australia?**

The Australian Communications Consumer Action Network (**ACCAN**) thanks the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (**the Department**) for the opportunity to provide feedback on the Consultation Paper: Fighting SMS Scams – What type of SMS sender ID registry should be introduced in Australia? (**the Consultation Paper**).

ACCAN is the peak body that represents consumers on communications issues including telecommunications, broadband, and emerging new services. ACCAN provides a strong unified voice to industry and government as consumers work towards communications services that are trusted, inclusive and available for all.

ACCAN's submission has been informed by feedback from consumer and community organisations who regularly assist consumers affected by scams and other difficulties with their telecommunications products and services, including Consumer Action Law Centre, CHOICE, Council of Small Business Organisations Australia, the Council on the Aging Australia and the Federation of Ethnic Communities' Councils Australia.

ACCAN supports the development of a SMS sender ID registry (**registry**) as a significant step towards improving outcomes for telecommunications consumers impacted by scams. ACCAN considers that the registry should be mandatory and be developed and implemented before the end of 2024.

A mandatory registry would:

- Significantly assist in reducing Australian scam losses, including for those most vulnerable to highly sophisticated mobile impersonation scams that result in millions of dollars and the life savings of Australians being lost to scammers.<sup>1</sup>
- Provide a high level of protection for governments, consumers and business entities/brands.<sup>2</sup>

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<sup>1</sup> A recent example of SMS scams causing significant consumer harm is the 'HSBC spoofing scam'. Atkin, M and Laurence, E. 2024. Australian HSBC customers demand action over \$6.3m 'spoofing' scam. Available at: <https://www.abc.net.au/news/2024-03-08/hsbc-customers-demand-spoof-scam-action/103549516>.

<sup>2</sup> DITRDCA. 2024. SMS Sender ID Registry - Fighting SMS Impersonation Scams. Available at: <https://www.infrastructure.gov.au/have-your-say/sms-sender-id-registry-fighting-sms-impersonation-scams>.

- Provide mutual benefits to senders and receivers of SMS messages by improving consumer confidence in SMS message communications as scammers would not be able to target consumers via use of alphanumeric sender IDs that have not been registered.<sup>3</sup>
- Be established to proportionally and efficiently allocate registry costs and membership expenses across organisations depending on the quantity of SMS messages sent.
- Be accompanied by new, mandatory requirements on telecommunications providers to comply with and facilitate the registry, with strong penalties for non-compliance.

Please see **Attachment A** for our detailed response to the questions set out by the Consultation Paper.

We thank the Department for the opportunity to provide our views on the Consultation Paper. Should you wish to discuss any of the issues raised in this submission further, please do not hesitate to contact me at [con.gouskos@accan.org.au](mailto:con.gouskos@accan.org.au).

Yours sincerely,

Con Gouskos

Policy Officer

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<sup>3</sup> DITRDCA. 2024. SMS Sender ID Registry - Fighting SMS Impersonation Scams. Available at: <https://www.infrastructure.gov.au/have-your-say/sms-sender-id-registry-fighting-sms-impersonation-scams>.

## Attachment A

### Have you, your organisation, or clients been targeted by SMS impersonation scams that used your alphanumeric sender ID(s)?

Telecommunications consumers experience significant volumes of scam communications. While ACCAN supports the efforts of telecommunications industry participants in blocking 443 million scam texts to date, billions of scam calls and texts are still making it through to Australians.<sup>4</sup>

The Consultation Paper also notes that:

- According to Scamwatch, in 2023 Australians lost ‘almost \$27 million to SMS scams’ and that the actual figure is likely to be significantly higher as many scams go unreported.<sup>5</sup>
- In 2023, 109,000 reports of scams delivered via SMS were received, an increase of 37% from 2022.<sup>6</sup>

Consumers experiencing scam losses from ‘impersonation scams delivered via SMS decreases consumer confidence in these communications from legitimate brands and entities’.<sup>7</sup> The decrease in consumer confidence in SMS is a unfavourable outcome for organisations that use SMS and could result in market withdrawal and negative implications by consumers and valid traders in the market. Additionally, older Australians are more likely be harmed by scam activity and have expressed that the prevalence of scam activity is impacting their desire to participate in the digital economy.<sup>8</sup>

ACCAN engagement with our members and stakeholders also noted that the current approach to consumer education does not reflect the needs of Culturally and Linguistically Diverse (CALD) consumers. The concerns expressed by these cohorts include that:

- Culturally and linguistically diverse communities are particularly vulnerable to ‘threats to life and arrest’ scams.<sup>9</sup>
- Scams targeting multicultural communities are on the rise and in-language SMS scams targeting this group have become increasingly prevalent.
- There may be an underrepresentation of the actual amount of CALD consumers falling victim to scams as individuals with no English proficiency who are misled by in-language scams would have difficulty utilising the reporting services.
- Migrants may be at higher risk of losing money to SMS impersonation scams as they may be more likely to engage with SMS messages from services appearing to be government authorities.

<sup>4</sup> ACMA. 2024. Action on scams, spam, and telemarketing: October to December 2023. Available at:

<https://www.acma.gov.au/publications/2024-02/report/action-scams-spam-and-telemarketing-october-december-2023>; Consumer Action Law Centre. 2024. Scams – Mandatory Codes Submission. p.11. Available at: <https://consumeraction.org.au/scams-mandatory-industry-codes-consultation-paper/>.

<sup>5</sup> DITRDCA. 2024. SMS Sender ID Registry - Fighting SMS Impersonation Scams. p.5. Available at: <https://www.infrastructure.gov.au/have-your-say/sms-sender-id-registry-fighting-sms-impersonation-scams>.

<sup>6</sup> Ibid. p.4.

<sup>7</sup> Ibid. p.5.

<sup>8</sup> Kollmorgen, A. 2023. Older Australians most affected by scams. Available at: <https://www.choice.com.au/health-and-body/healthy-ageing/ageing-and-retirement/articles/scams-affecting-senior-australians>

<sup>9</sup> There remains a noticeable disparity between the reports and losses reported on these scams. While they only made up 7.8% of reports by CALD individuals, the losses to these scams comprised 43.7% of losses in 2022. ACCC. 2023. p.23. Targeting Scams: Report of the ACCC on scams activity 2022. Available at: <https://www.accc.gov.au/about-us/publications/serial-publications/targeting-scams-reports-on-scams-activity/targeting-scams-report-of-the-accc-on-scams-activity-2022>.

- The National Anti-Scam Centre is inaccessible to those with little to no English literacy levels as it is only offered in English. This limitation is also replicated when reporting to the ACCC's Scamwatch.

Reports of major losses from caller and SMS impersonation scams continue to increase, and text messages account for a significant amount of scam contacts.<sup>10</sup> Impersonation scams have seen significant media attention with the recent HSBC bank scam severely negatively impacting the lives of many Australians.<sup>11</sup> Impersonation scams see alphanumeric sender IDs easily and systemically hijacked by scammers and in the case of the HSBC scam, causing consumers to lose millions of dollars. Despite authorities and HSBC being aware of the scam, halting this kind of scam activity has proven difficult and unresponsive to consumer harm.<sup>12</sup> Vulnerable consumers are particularly impacted by scam activity with the latest ACCC Scamwatch report showing the continued disproportionate impact on older Australians.<sup>13</sup>

### **Do you support the introduction of a voluntary or mandatory SMS Sender ID Registry for alphanumeric sender IDs? Why?**

ACCAN strongly supports the introduction of a mandatory registry for SMS senders who decide to make use of alphanumeric sender IDs in their SMS communications. We consider that for a registry to be effective and comprehensive, its requirements must be mandatory.

A mandatory registry would:

- Significantly assist in reducing Australian scam losses, including for those most vulnerable to highly sophisticated mobile impersonation scams that result in millions of dollars and the life savings of Australians being lost to scammers.
- Provide a high level of protection for governments, consumers and business entities/brands.<sup>14</sup>
- Provide mutual benefits to senders and receivers of SMS messages by improving consumer confidence in SMS message communications as scammers would not be able to target consumers via use of alphanumeric sender IDs that have not been registered.<sup>15</sup>
- Proportionally and efficiently allocate registry costs and membership expenses across organisations depending on the quantity of SMS messages sent.
- Be accompanied by new, mandatory requirements on telecommunications providers to comply with and facilitate the registry, with strong penalties for non-compliance.

ACCAN considers the establishment of a mandatory registry essential to address the consumer harm caused by scam SMS messages. The imposition of a mandatory registry provides a mutual benefit to the senders and receivers of SMS messages. Under a mandatory registry, senders would likely experience greater consumer engagement with their SMS messages as consumers will have greater confidence that the messages they are receiving are legitimate communications from sender

<sup>10</sup> 38% of all scam contacts have been by text message. ACCC. 2024. National Anti-Scam Centre's October to December 2023 quarterly update. p.9. Available at: [https://www.accc.gov.au/system/files/National-Anti-Scam-Centre-in-Action\\_quarterly-update-October-to-December-2023\\_0.pdf](https://www.accc.gov.au/system/files/National-Anti-Scam-Centre-in-Action_quarterly-update-October-to-December-2023_0.pdf)

<sup>11</sup> Laurence, E. 2024. Millions of dollars stolen from HSBC customers in impersonation scam. Available at: <https://www.abc.net.au/listen/programs/am/hsbc-customers-in-impersonation-scam/103563480>.

<sup>12</sup> Ibid.

<sup>13</sup> Australians over 65 years of age accounted for 20.49% of scam losses. ACCC. 2024. National Anti-Scam Centre's October to December 2023 quarterly update. p.35. Available at: [https://www.accc.gov.au/system/files/National-Anti-Scam-Centre-in-Action\\_quarterly-update-October-to-December-2023\\_0.pdf](https://www.accc.gov.au/system/files/National-Anti-Scam-Centre-in-Action_quarterly-update-October-to-December-2023_0.pdf).

<sup>14</sup> DITRDA. 2024. SMS Sender ID Registry - Fighting SMS Impersonation Scams. Available at: <https://www.infrastructure.gov.au/have-your-say/sms-sender-id-registry-fighting-sms-impersonation-scams>.

<sup>15</sup> Ibid.

organisations. The registry should also be developed and supported by systems where consumers and businesses would be able to verify alphanumeric sender IDs in real time. Mandatory registries have already produced results in international telecommunications markets. The Singapore SMS Sender ID Registry facilitated a 64% reduction in scam SMS messages.<sup>16</sup>

These consumer benefits and safeguards would not be replicated under a voluntary registry model as consumers would likely be unsure if the organisation they are receiving messages from is a member of the voluntary registry. ACCAN considers that a voluntary registry is unfit to provide telecommunications consumers with appropriate protections from impersonation scams. A voluntary scheme would be unlikely to improve consumer trust in SMS communications compared to the development of a mandatory registry. Under a voluntary registry, enforceable provisions on telecommunications providers to facilitate the registry would not be sufficient to protect consumers.<sup>17</sup> A voluntary registry, accompanied by enforceable but ultimately voluntary requirements on telecommunications providers to facilitate the registry does not constitute effective, fit for purpose protections for consumers suffering from SMS impersonation scams.

ACCAN considers that a mandatory registry should be accompanied by new, mandatory requirements on telecommunications providers to comply with and facilitate the registry, with strong penalties for non-compliance. The development of a mandatory registry is an integral part of modernising the response of the Australian telecommunications market to meet the high levels of impersonation scams that consumers experience. Additionally, ACCAN considers it reasonable that telecommunications providers be prohibited from 'sending SMS with alphanumeric sender IDs, unless they were registered and the sender was the registered party or agent'.<sup>18</sup> ACCAN considers that reasonable exceptions and verification methods should exist for Sender IDs from international telecommunications companies sending data roaming SMS messages to their customers.

ACCAN supports the 'user pays' model in addition to the proposed initial and ongoing annual fees experienced by registered entities proposed by the Consultation Paper. This should also provide greater certainty and support for Government as a mandatory registry would split the costs of registry membership across a greater number of participants to minimise impacts on individual businesses.<sup>19</sup> Once established, the average cost for the addition of new numbers and participants would also be imposed incrementally. Accordingly, there are material benefits in seeking to drive uptake as additional participants reduce average cost, insofar as the fixed costs are spread across more registry members.

When deciding the costs members will incur from the registry, the Department should take into account the number of messages sent by registry members and proportionally calculate fees based off this measurement. This would have the effect of ensuring that small businesses do not pay the same registration costs as larger businesses. During the operation of the registry, this task should be undertaken by the Australian Communications and Media Authority (**ACMA**). The use of proportionality and of an appropriate baseline minimum fee in the designing of a fee structure for an Australian registry would be appropriate when accounting for the large number of potential registry members with varying SMS quantities.

<sup>16</sup> CHOICE. 2023. Bank impersonation fraud: What you need to know to avoid being scammed. Available at:

<https://www.choice.com.au/consumers-and-data/protecting-your-data/data-privacy-and-safety/articles/bank-impersonation-scams>.

<sup>17</sup> DITRDCA. 2024. SMS Sender ID Registry - Fighting SMS Impersonation Scams. Available at: <https://www.infrastructure.gov.au/have-your-say/sms-sender-id-registry-fighting-sms-impersonation-scams>.

<sup>18</sup> Ibid. p.4.

<sup>19</sup> Ibid.

ACCAN also considers that there is merit in ensuring that information relating to how prospective members apply to the registry, the costs associated with the registry and other common questions be listed on the website of the ACMA and be made publicly available. An example of this can be found in the Singapore Network Information Centre which details the participants of the Singapore SMS Sender ID Registry among other guidance materials for prospective registry members.<sup>20</sup>

ACCAN considers that in the operation of the registry, there should exist a process which ensures that entrants to the registry are not seeking to imitate the names of existing registry members to perpetrate scams. For example, a scam perpetrator should not be able to imitate the telecommunications provider MobileTelco by registering a sender ID as 'MobileTelco' using similarly appearing characters. This process should be undertaken as part of the incoming registration process or during the altering of an existing registry members sender ID.

### **What, if any, transition arrangements are required?**

ACCAN considers that a mandatory registry should be developed and implemented before 31 December 2024. ACCAN considers that this timeframe is adequate in providing future registry participants enough notice and incentive to adapt to the changes a mandatory registry would bring. Changes to the fundamental details of the registry after its inception should be undertaken through standard consultation processes.

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*The Australian Communications Consumer Action Network (ACCAN) is Australia's peak communication consumer organisation. The operation of ACCAN is made possible by funding provided by the Commonwealth of Australia under section 593 of the Telecommunications Act 1997. This funding is recovered from charges on telecommunications carriers.*

*ACCAN is committed to reconciliation that acknowledges Australia's past and values the unique culture and heritage of Aboriginal and Torres Strait Islander peoples. [Read our RAP](#)*

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<sup>20</sup> Singapore Network Information Centre. 2024. Overview of SMS Sender ID Registry ("SSIR"). Available at: <https://www.sgnic.sg/smsregistry/overview>.