



Market Conduct Division
The Treasury
Langton Crescent
PARKES ACT 2600
By email: digitalcompetition@treasury.gov.au

Dear Treasury,

Digital Platforms – Consultation on Regulatory Reform

ABA welcomes the opportunity to respond to Treasury's consultation, *Digital Platforms – Consultation on Regulatory Reform*. ABA's submission focuses on issues that are of interest to the banking industry and our customers.

A new regulatory regime for digital platforms

Treasury seeks views on the merits and drawbacks of a new regulatory regime for digital platforms, noting that some jurisdictions have introduced specific regimes or obligations while other jurisdictions are relying on existing law. ABA considers a new regulatory regime for digital platforms is warranted in the Australian context.

Australia's regulatory regimes differ from those of other jurisdictions, as such this decision should be made on the basis of whether existing laws and regulatory requirements clearly apply to the relevant conduct of digital platforms and/or the concerns identified in the ACCC's inquiry and impose clear obligations to achieve consumer or competition outcomes.

The digital economy has transformed markets in Australia, including but not limited to financial services and payments, and has brought customer innovation and customer benefits. ACCC's proposals are part of a global effort by regulators to introduce or ensure regulatory frameworks encourage competitive markets and good customer outcomes by focusing on fairness, transparency and innovation.

Coordination with other Government policies and processes

Treasury asks if conflicts exist between the ACCC's recommendations and other areas of government policy, and how to align related reforms.

ABA considers no conflicts exist. Alignment between related reforms can enhance customer benefits. As such, ABA encourages Treasury to consider and address competition questions and the impact of changing market dynamics as part of other related initiatives such as the Government's payments strategic plan, digital identity and the Consumer Data Right (CDR).

The government has agreed to undertake regulatory reform for payments, including updating the licensing regime as well as the *Payment Systems (Regulation) Act 1998* (PSRA) to enable Reserve Bank of Australia to regulate new and emerging payment systems, such as digital wallet providers. ABA considers the proposed PSRA and licensing amendments would align with the ACCC's recommendations to address the broad range of activities undertaken by digital platforms, and the two measures would not conflict.

ABA has previously advocated for businesses from non-designated industries entering CDR as data recipients to be required to share equivalent data. ABA refers Treasury to our previous submission.¹

Treasury also highlights funding for the national anti-scams centre as a related measure. Refer to the next section for ABA's comments about scams.

¹ <https://www.ausbanking.org.au/wp-content/uploads/2022/06/220520-ABA-Submission-CDR-Statutory-Review.pdf>



Consumer recommendations – scams

ABA supports the ACCC's recommendations for digital platforms to be subject to targeted measures including about scams. Scams are committed in an ecosystem involving a range of communication channels including but not limited to digital platforms and telcos, and using bank and non-bank payments platforms to move money away from the victim. To reduce the number of scams or at least the rate of increase, all parts of the scam 'life cycle' play a part in disruption and response.

ABA continues to work with members and stakeholders on how banks can help customers in relation to scams, and provides further comments on the proposed obligations targeting scams.

Four types of action: reporting, prevention, detection and response

The experience in Australia and overseas highlights four types of actions that all parts of the scams ecosystem should take to have the maximum impact on scams:

- **Reporting:** sharing, receiving and acting on intelligence and data; taking action based on trusted sources of information.
- **Prevention:** taking action to prevent bad actors from using the platform; educate users about ways to identify and avoid scams.
- **Detection:** applying rigorous systems and processes to detect suspicious transactions.
- **Response:** responding in a timely way to reports about a scam conducted on or using an entity's platform or network, including by delaying, blocking or taking down harmful content.

ABA asks Treasury to consider whether the targeted measures should:

- include a specific obligation to receive and act on intelligence from other sectors and the national anti-scams centre (in addition to users);
- include an obligation to apply, review and enhance prevention and detection mechanisms (in addition to the obligation to verify business users);
- consider or address obligations about removing harmful apps that may be used to scam users, such as the example of the Hope investment app or apps that give criminals remote access to a user's device;
- consider how to ensure accountability for the role that digital platforms can play in preventing and disrupting scams affecting Australian consumers and businesses.

Thank you again for the opportunity to provide feedback. If you have any questions, please contact me at Rhonda.luo@ausbanking.org.au or 0430 724 852.

Yours sincerely,

Rhonda Luo
Policy Director