

Director, Digital Competition Unit
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The Treasury
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Dear Director

Digital Platforms: Government consultation on ACCC's regulatory reform recommendations

The Australian Communications and Media Authority (ACMA) welcomes the opportunity to provide a submission to Treasury's consultation on the Australian Competition and Consumer Commission's (ACCC) regulatory reform recommendations from the fifth interim report of the Digital Platform Services Inquiry (the Inquiry).

The ACMA offers the following observations to assist in Treasury's consideration of the Inquiry's recommendations.

Scams

As a sectoral regulator for the telecommunications industry, the ACMA's focus is on stopping scams before they reach Australians. To help achieve this outcome, we have introduced a suite of enforceable obligations on telecommunications providers, including rules that require them to identify, block and trace scam calls and SMS.

The ACMA's experience shows that working closely with the relevant industry and targeting scam activity on multiple fronts can achieve a meaningful and sustained reduction in the number of scams reaching consumers.

The summary of the ACMA's key actions at **Attachment A** demonstrates that the ACMA's actions to date have had a significant and swift impact, including that:

- over 955 million scam calls have been blocked from reaching Australians since December 2020, and almost 90 million scam SMS have been blocked since July 2022.
- consumer complaints about scam calls dropped dramatically in 2022 compared to 2021, with a 56% reduction in complaints to Scamwatch and a 62% reduction in complaints to the ACMA
- a 95% reduction in reports of mobile phone numbers being fraudulently ported to facilitate scams.

The ACMA's actions are currently limited to services regulated under the *Telecommunications Act 1997*. As such, they do not extend to scams perpetrated over other digital channels including through messaging applications operated by digital platforms or via online marketplaces.

The ACMA fully supports the ACCC's recommendation to introduce targeted measures to require digital platforms to take additional steps to prevent and remove scams being perpetrated on their platforms.

The ACMA favours a regime that applies to all digital platforms. An inconsistent application of anti-scam rules would likely create vulnerabilities that scammers could exploit and would undermine the effectiveness of any new rules. Such measures should have sufficient flexibility for regulatory responses to be tailored to the varying services provided by the relevant platforms.

The introduction of new laws which require digital platforms and messaging applications to identify and block scam activities would be of significant benefit to Australians, disrupt the scammers 'business' models and make Australia a harder target for scammers. The ACMA would be ideally positioned to administer such laws.

Complaint Handling

As the ACCC and Treasury have explained, there are considerable consumer harms attributed to digital platforms and across the digital ecosystem more broadly, including inadequate processes for dealing with disputes and complaints (hereafter referred to as complaints).

The ACMA has previously published its views regarding best practice for minimum complaint resolution standards in other contexts¹. Of particular relevance, it has given its views on the handling of misinformation complaints in advice to government on the adequacy of digital platforms' disinformation and news quality measures² as well as the submission to the 2022 review of DIGI's Australian Code of Practice on Misinformation and Disinformation.³

The ACMA contends that complaint handling mechanisms should be, at a minimum, transparent, easily accessible and operated in good faith. Entities should have processes in place for internal escalated dispute resolution and identifying and addressing systemic issues that give rise to complaints. These complaint handling principles are applicable to, and should underpin the development of, minimum internal complaints handling obligations to be adopted by digital platforms.

In the first instance, platform users should be able to access an effective internal complaint handling processes to raise concerns arising from a failure on the part of a digital platform to meet their obligations to consumers and businesses. These obligations could derive from a range of sources including from regulation, industry/consumer codes (be they self-regulatory or co-regulatory) or platform's policies and terms of service.

The ACMA also considers that users should be able to access an external complaint handling mechanism for unresolved complaints where a platform user is not satisfied with the outcome of the platform's internal process. This is consistent with the complaints handling mechanisms provided in the telecommunications industry, whereby:

¹ See, for example, page 18 of Part A of [the ACMA submission to the DoCA Consumer Safeguards Review](#) and pages 44 and 45 of the ACMA's [What Audiences Want](#) position paper.

² See ACMA, A report to government on the adequacy of digital platforms' disinformation and news quality measures, in particular pages 61-62.

³ See ACMA, ACMA submission to the 2022 review of the Australian Code of Practice on Misinformation and Disinformation, in particular pages 25-27.

1. Telcos are required to have internal complaint handling mechanisms which meet a minimum standard, with those standards set out in the *Telecommunications (Consumer Complaints Handling) Industry Standard 2018*
2. There is a Telecommunications Industry Ombudsman which performs an escalated dispute resolution function
3. Telcos which have certain types of customers or business models are required to become members of the TIO Scheme, and
4. There are incentives built into the regulation and the TIO Scheme to encourage telcos to resolve complaints effectively and early.

The ACMA has also recently commissioned consumer research to better understand the experience of Australians when deciding if, and how, they make a report or a complaint about potentially harmful content (including misinformation) on digital platforms. The outcomes of this research are likely to be relevant to the matters raised in the Inquiry and we expect to publish our findings by mid-2023.

I hope this information is of assistance to the policy development process. The coming months will see the ACMA able to provide further assistance, as it learns more about its recently announced expanded powers to combat online misinformation and receives the results of the ACMA research into complaints about harmful content on digital platforms.

Yours sincerely



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Attachment A: ACMA Phone Scams Work Program