



Senate Economics Legislation Committee
PO Box 6100
Parliament House
Canberra ACT 2600

By email: economic.sen@aph.gov.au

9th January 2025

SUBMISSION TO THE INQUIRY INTO THE SCAMS PREVENTION FRAMEWORK BILL

Dear Committee Secretary

OK Group overall supports the Scams Prevention Framework Bill (SPF) and thanks the Senate Standing Committee on Economics for the opportunity to provide our views on this matter. Our response focuses on the principle of "Disrupt" within the Bill, specifically the Confirmation of Payee (CoP) process.

The transfer of payment is where a scam often reaches its conclusion, and by that point, the victim's funds are already at risk. While many preventive measures can help protect against scams it is at this point of action that CoP serves as a crucial final safeguard and warrants special consideration within the ecosystem.

By way of background, OK Group (APAC)'s subsidiary business PayOK has been closely engaged in bank account verification since 2021. Experience in how to best combine data sources and technology has been gained through the establishment of a number of software platforms and we are confident that our viewpoint can add value to the Committee.

It is our view that rather than a principles-based approach, that the SPF codes should provide a set of inclusive minimum standards for CoP to ensure that every Australian consumer can receive the same level of protection through the CoP process regardless of their choice of bank. Whilst it is pleasing to see banks adopting scam prevention measures, we express our concern regarding the current development of CoP in Australia. This appears disparate and has been largely driven by the big banks resulting in inequitable access for all bank customers and creating weak links for smaller banks. The process of CoP should be simple to solve for, and the Government has the opportunity to shape CoP to deliver an industry wide, inclusive and scalable CoP that is affordable and easy to implement for all banks.

There has been a welcome increase across the scams prevention ecosystem regarding collaboration and information sharing that has already resulted in positive outcomes and the SPF provides incentive



to continue this further. Extending information sharing to all ADIs to contribute data to a secure centralised data base ensures that smaller banks, credit unions, and building societies are not left behind. Without universal access to CoP data, consumers with these institutions face greater exposure to scams. This inclusive approach aligns with the SPF's consumer-focused principles and reinforces Australia's commitment to developing a robust, equitable, and world-leading scam prevention framework.

We are recommending that a centralised data system under ACCC's management would provide accessibility to multiple sector regulators and CoP providers. This model could integrate diverse data sources, such as government and fraud-related databases, ensuring comprehensive coverage and adaptability to new threats. It would also facilitate secure and scalable data management to enhance the reliability of payment verification. The current CoP systems being developed do not provide these features.

To satisfy an inclusive CoP system, this should operate across all current payment platforms that specifically include the NPP and BECS, and be adaptable to future technologies and payment platforms. The G20 roadmap for payments should also be considered which would require a CoP system that can be applicable for cross border payments.

We also suggest that to prevent conflicts of interest, CoP providers should operate independently from banks. This separation would not only promote fair competition but also eliminate potential biases in service provision, fostering trust across all financial institutions and their customers and encourage innovation.

Government intervention is critical in steering CoP development towards public interest which we suggest can be best managed by insisting that minimum standards are met. The absence of government leadership risks CoP development being shaped by the commercial interests of larger banks.

We recommend that the following standards be adopted as minimum for CoP.

Primarily, that all ADI's be required to contribute BSB, Account Number and Account name data to a secure centralised data base for access by accredited parties.

In doing so this will provide the foundation to ensure that.

- Any CoP system should have the ability to operate across all current banking rails (NPP, and BECS), and be adaptable to future banking rails
- CoP should have the ability to ingest additional data sources to better inform customers (ASIC/ABR) and relevant fraud data as it becomes available
- CoP should be run independently to promote competition and innovation and provide access to government regulators and accredited organisations
- CoP checks be applied to all payments, not only to first time payments
- That CoP should have the ability to allow government agencies (ATO/NDIS/Centrelink) direct access for fraud prevention.



In conclusion, we strongly urge the committee to recommend adoption of **detailed minimum standards** that all banks must follow to implement CoP effectively. Properly designed standards will ensure that the system is cost-efficient and resource-appropriate for banks of all sizes, enabling consistent and equitable protection for all Australian consumers, regardless of their choice of financial institution. This inclusive approach aligns with the SPF's consumer-focused principles and underscores Australia's commitment to building a robust, equitable, and globally leading scam prevention framework.

Thank you for considering our input. We welcome further discussions to support this critical initiative and can be contacted as per details below.

Yours sincerely,

Colin Porter
Chief Executive Officer | Founder