

MEDIA RELEASE

SCAMS AWARENESS WEEK CALLS TO ADOPT SUCCESSFUL UK MODEL TO COMBAT SCAMS MANDATORY BANK COMPENSATION FOR SCAM VICTIMS

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- 3 of Australia's 4 Major Banks caught scamming their own customers
- Government spending \$86.5mil to combat scams in 2023-2024 budget and \$67.5 mil over 4 years
- ABA rejects implementing a voluntary Code

Scams and online fraud cost Australians an estimated \$2.74 billion in 2023 and the Government has already spent \$86.5mil to deliver the National Anti-Scam Centre and establish the SMS sender ID registry with another \$67.5mil to be spent over the next 4 years.

Yet the ABA has made no tangible commitment to curb their own members from scamming customers with 3 of Australia's 4 major banks already caught out. In one case, following the Hayne Banking Royal Commission, a major Bank found to have overcharged interest on loans, subsequently feigned being scammers to dissuade customers from accepting the return of monies owed. In yet another case, a Bank helped an abusive family member scam their own customer for \$440,000, then treated the scam victim as an offender to hide their misconduct.

ABA's recent proposed changes to the Banking Code currently before ASIC was criticised by the combined Consumer Representatives noting 'reductions in Consumer Protections' and 'removal of complaint and IDR processes' were geared to frustrate consumer attempts to seek the restitution or justice. According to Treasury spokesperson Robb Preston, the Government has limited powers to intervene in ASIC's decisions and actions to approve these ABA Banking Code changes.

There are strong calls for the Government to incentivise Banks themselves to invest in proper scam detection and prevention by implementing the successful UK scheme where the victims of scams are compensated. This soon to be mandatory UK scheme requires sending and receiving Banks' to equally split the cost of reimbursing scam victims, except where the customer has acted fraudulently or with gross negligence.

Ordinary Australians' already suffering from cost-of-living pressures would certainly welcome added consumer protections and relief as a victim of scams or online fraud. An imperative for this Government must be to maintain trust, confidence, integrity and, to build and maintain a healthy, vibrant, competitive Financial Services sector.

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