



15 February 2023

Director, Digital Competition Unit
Market Conduct Division
The Treasury
Parkes ACT

By email: digitalcompetition@treasury.gov.au

Dear Sir/Madam

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

The Australian Financial Markets Association (AFMA) represents over 125 members, including the leading Australian and international banks, brokers, securities companies, state government treasury corporations, fund managers, energy traders and industry service providers.

We wish to make comment on Treasury's consultation: *Digital Platforms: Government consultation on ACCC's regulatory reform recommendations*. Please find our responses below to a selection of questions.

Please note that we limit our comments to matters relating to minimizing scams and related activities.

In relation to Questions 1 through 3 we consider that the outcomes could be achieved through additions to the existing regulatory frameworks in addition to the approach suggested by the consumer regulator. Minimising additional regulation is generally preferred and avoiding overlapping or duplicative regulation is an important aim. We suggest regulating matters through two different regulatory approaches should be avoided as a priority as this creates inefficient expenses in the economy and is often confusing for those endeavouring to comply.

Question 7. Do you agree with the evidence presented by the ACCC regarding the prevalence and nature of harms to consumers resulting from the conduct of digital platforms?

AFMA members report that substantial harms to the public are created by scams that are promoted on social media platforms. These scams often misuse the good names and logos of our members and others. Our members are interested in supporting efforts to prevent these harms to the public and also the misuse of their names, logos, and reputations in the service of these activities.

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While these scams are promoted not just on social media, it is important that social media platforms play their part in creating an ecosystem that works to prevent scams and its associated advertising.

Question 8. Do you agree with the ACCC recommendation to introduce targeted measures on digital platforms to prevent and remove scams, harmful apps and fake reviews? Are there any other harms that should be covered by targeted consumer measures, for example, consumer harms related to the online ticket reselling market for live events? 8.1 Is the notice and action mechanism proposed by the ACCC for these consumer measures appropriate? Are there any alternative or additional mechanisms that should be considered?

AFMA supports targeted measures designed to improve outcomes in relation to digital platforms and their responses to scams promoted on their platforms. Current measures do not appear to be sufficient given the significant numbers of scams promoted on these platforms.

We remain neutral on whether the measures are best framed within consumer law as proposed by the consumer regulator or might be implemented more efficiently in another part of the regulatory framework.

We note our strong support for requirements that advertisements for financial services should require verification of the identity of the financial services licensee. We believe this would go a long way to assist reducing the fraudulent use of names and logos by bad actors.

Measures to increase responsiveness of platforms are also welcomed.

Question 9. What digital platform services should be captured in the ACCC's recommendation

We note the UK Act provides for a proportionate requirement. We suggest being explicit about the need for proportionality is appropriate.

Conclusion

Thank you for considering our comments in relation to digital platforms and their role in reducing the risk of scams.

Yours sincerely



Damian Jeffree

Senior Director of Policy