BCA
Business Council of Australia

24 June 2026

Claire McKay
Scams Taskforce
Market Conduct and Digital Division
The Treasury
By email: [redacted]

Dear Ms McKay

The Business Council of Australia (BCA) welcomes the opportunity to provide a submission on the Scams Prevention Framework (SPF) codes and rules exposure draft.

The BCA has members in all the sectors covered by the SPF – banking, telecommunications and digital platforms. As scams are a whole-of-economy issue, the BCA supports an ecosystem approach involving all players.

BCA members have been taking many proactive steps to address scams. The SPF and the sector-specific codes under the SPF will build on these efforts but need to be complemented by consumer education, complementary government action,[1] and law enforcement against bad actors.

The BCA has a number of comments in relation to the consultation documents as noted below.

Automatic reimbursement

The BCA has significant concerns with the proposal that there should be automatic reimbursement of 'verified' scam losses below $3,000.

The main reason the BCA does not support this proposal is because it will likely result in a significant increase in the number of scams, increasing the cost of scams to the economy and providing funding to (offshore) criminal activity. This will then incentivise the growth of the 'scam economy'.

Government policy has been rightly focussed on reducing scams. This proposal runs counter to that focus.

Other concerns include:

- The discussion paper argues that auto reimbursement will reduce the costs of Internal Dispute Resolution (IDR) and External Dispute Resolution (EDR). However, this is a narrow view – the

[1] This could include increased identification requirements for the registration of companies.

proposal is much more likely to increase total costs to regulated entities overall, even factoring in the reduction in IDR and EDR costs.

- Auto reimbursement is, in concept, similar to the Government stating there will be no prosecution of theft below a fixed dollar amount, which would just encourage theft below that dollar amount. Both ideas should be rejected.
- Regulated entities should have the flexibility to make a commercial decision about whether to provide automatic reimbursement, factoring in issues including the cost of investigation and IDR/EDR, the extent of customer harm and the extent to which the entity failed to comply with SPF requirements (if at all). The Government should not second guess this decision.
- The proposal would likely encourage:
  - The making of scam allegations that are vexatious or frivolous.
  - The conversion of ordinary commercial disputes into allegations of scams.
  - The creation of 'fake scams' where two parties agree that one of them would be 'scammed' by the other, and the scam reimbursement is shared between the two parties. For overseas scammers, the ability to detect this form of fraud would be difficult.
- The proposal is for reimbursement of 'verified' scams. If comprehensive verification is required, automatic reimbursement may deliver limited cost or efficiency benefits because an investigation process would still be needed. If verification is less robust, the risks raised above increase – including the increased risk of fraud and incorrect reimbursement.
- Automatic reimbursement appears inconsistent with the Government's broader approach to cyber security, which is focussed on ensuring individuals have responsibility for preventing cyber threats. Horizon 2 of the Australian Cyber Security Strategy has as a core component strengthening Australia's "human firewall" in preventing, detecting and responding to threats.[2]

We do not agree with the argument in the discussion paper that automatic reimbursement is "proportionate and efficient". In fact, given the points above, it is likely that auto reimbursement will be disproportionate and inefficient.

More generally, we consider it important that liability be established before compensation is triggered, and there be an exclusion from compensation for gross negligence or misconduct.

Timeframes

We understand that it is unlikely the Codes will be finalised before the final quarter of 2026. This will leave insufficient time for implementation with the start date in March 2027, particularly for products that are offered globally but will require novel product changes to incorporate Australia-specific changes. This could include the requirement for live warnings in the middle of a scam – with product testing this would take months to implement in an effective way.

[2] See https://www.tonyburke.com.au/media-releases/securing-our-future-horizon-2-of-the-australian-cyber-security-strategy See also this quote from the former Minister for Home Affairs, the Hon Clare O'Neil MP: "We're taking huge strides towards our goal of being one of the most cyber secure nations on earth by 2030, but individual actions will always form the foundation of that security.", source: https://minister.homeaffairs.gov.au/ClareONeil/Pages/keeping-australians-safe-online.aspx

The sharing of actionable scam intelligence (ASI) is not scheduled to occur until October 2027. In the period between March and October, this will create issues for entities that are expected to comply with the SPF but will not have access to shared ASI.

We understand industry-led sharing of ASI has potential to be implemented more swiftly and encourage the Government to explore this option.

There are a number of other elements of the SPF that need implementation before the SPF can commence, including:

- Resolving conflicting requirements between the SPF and other regulations, such as Anti-Money Laundering/Counter-Terrorism Financing; privacy; and the ePayments Code.
- The multi-party IDR system, including how regulated entities should cooperate, share information and resolve liability questions.
- Liability apportionment between regulated entities, including for lower value scams.

Significantly more detail is required on these elements well before the commencement date.

We would be happy to discuss this submission, please contact me on [redacted] or [redacted]

Yours sincerely

[redacted]

Pero Stojanovski
Chief Economist
Business Council of Australia