



24 November 2023

## Banks unite to declare war on scammers

Australian banks have joined forces to launch a new Scam-Safe Accord to deliver a higher standard of protection for customers and put scammers out of business in Australia.

This Accord, between Australia's customer owned banks, mutual banks, building societies, credit unions and commercial banks is a comprehensive set of anti-scam measures across the entire industry.

"This Scam-Safe Accord is a new offensive in the war on scams. It reflects the banking sector's unwavering commitment to safeguarding every Australian. It outlines the actions every bank will take to protect Australian consumers and small businesses and to harden the system against scams," said ABA CEO Anna Bligh.

"The initiatives we launch today are a significant step forward and demonstrate the banking industry's commitment to fight scams. It doesn't matter if someone banks with a regional mutual bank or the largest bank in the country, customers can be confident their bank is working hard to protect their money," said COBA CEO Mike Lawrence.

At the heart of the Scam-Safe Accord is a \$100 million investment by the industry in a new confirmation of payee system to be rolled out across all Australian banks. Confirmation of payee will help reduce scams by ensuring people can confirm they are transferring money to the person they intend to.

With 15.4 billion transactions worth \$2.5 trillion occurring every year across the banking sector, the design and build of an industry wide confirmation of payee system is a major undertaking. Design of the new system will start straight away and it will be built and rolled out over 2024 and 2025.

Banks have committed to introduce new and higher protections into their systems, meaning customers should expect more warnings and delays when paying someone new or increasing payment limits. To prevent misuse of accounts through identity fraud, all banks will uplift technology and controls, including all major banks introducing unique identification measures known as biometric checks when opening new accounts.

In addition, the Scam-Safe Accord includes a major expansion of intelligence sharing across the sector with all banks acting on scams intelligence from the Australian Financial Crimes Exchange by mid-2024, and joining the Fraud Reporting Exchange. This means critical information is shared across the banking sector at speed about scam transactions, improving the chances of preventing scams and recovering stolen funds.

"Preventing scammers from taking the hard-earned money of everyday Australians is a shared responsibility. As scammers work hard to devise new ways to steal money, it's critical that governments, industry and consumers remain vigilant to make Australia a hard target for scammers," said Mike Lawrence.

"Recent data from banks shows that \$600 million in stolen funds has been returned to customers over the last year. To keep up this effort it is critical that government, banks, telcos, social media and crypto platforms work together as part of an eco-system to stay one step ahead of sophisticated criminal gangs," Anna Bligh said.

Banks play a key role but are only one part of the solution. The ABA and COBA look forward to seeing details from other sectors about their plans to proactively address scams.

The Scam-Safe Accord initiatives are based on the principles of disrupt, detect and respond. They include the following commitments from banks. The initiatives define a banking sector industry standard following the authorisation, from the Australian Competition and Consumer Commission in August for ABA banks to work collectively to develop initiatives to help reduce scams.



## Scam-Safe Accord

The Accord applies to all members of the Australian Banking Association and the Customer Owned Banking Association, and includes banks, mutual banks, credit unions and building societies.

### Disrupt

---

#### **Banks will deliver an industry-wide confirmation of payee solution to customers**

- all banks will roll out this name checking technology so customers know who they are dealing with, mitigating the possibility of people being manipulated into paying a scammer when the name does not match.
- design of the new system will start straight away and it will be built and rolled out over 2024 and 2025.

#### **Banks will take action to prevent misuse of bank accounts via identity fraud**

- all banks will adopt further technology and controls to help prevent identity fraud, including major banks using at least one biometric check for new individual customers opening accounts online by the end of 2024.
- these checks will be either detectable to a person's behaviour or involve a check of a customer's face or fingerprint, enabling banks to use these characteristics to verify their customer's identity.

#### **Banks will introduce warnings and payment delays to protect customers**

- if a customer is transferring money to someone they haven't paid before or raising payment limits, they can expect more questions, warnings and delays from their bank to protect them from falling victim for a scam. It will act as a mitigant when scammers put customers under pressure to act quickly to transfer funds.
- banks will work to introduce enhanced warnings and delays by the end of 2024.

### Detect

---

#### **Banks will invest in a major expansion of intelligence sharing across the sector**

- all ABA and COBA members will join the Australian Financial Crimes Exchange (AFCX) to be ready to use their scams intel to fight scams from mid-2024, and the Fraud Reporting Exchange over 2024-25 to help customers recover money faster.
- this means scams intelligence can be shared at speed between banks, helping banks prevent more scams and recover funds for customers faster.

### Respond

---

#### **Banks will limit payments to high-risk channels to protect customers**

- banks will make these risk-based decisions when they identify high risk getaway vehicles being used by scammers to move money out of Australia.
- expect more banks to start limiting payments to high-risk channels such as some crypto currency platforms to protect customers from possible theft.
- once stolen funds are in a getaway vehicle to a high risk crypto currency platform it is virtually impossible to recover them.

---

#### **Banks will implement an Anti-Scams Strategy**

- all banks will implement an anti-scams strategy to enhance oversight of the bank's scams detection and response.



Australian Banking  
Association



CUSTOMER  
OWNED  
BANKING  
ASSOCIATION

The [Australian Banking Association](#)'s membership is comprised of 20 banks from across Australia. The ABA advocates for a strong, competitive and innovative banking industry that delivers excellent and equitable outcomes for customers.

The [Australian Financial Crimes Exchange](#): Providing security capabilities, technology, and intelligence in one central platform, the AFCX brings together businesses, government, law enforcement agencies and industry groups to protect Australian consumers and businesses from financial crime, cyber-crime and scams.

The [Customer Owned Banking Association](#) is the industry association for Australia's customer-owned banking institutions – mutual banks, credit unions and building societies. COBA champions the customer owned banking model and advocates for a more competitive retail banking sector that benefits all Australians.