



29 November 2024

Encouraging action against online financial scams – an open letter to the Digital Platforms sector operating in New Zealand

Online financial scams are a growing problem in New Zealand. Last year, it was reported that New Zealanders lost nearly \$200 million to scams. However, Netsafe and the Global Anti-Scam Alliance have estimated that losses could be as high as \$2 billion, when considering losses that are not reported.

As the newly appointed lead Minister for combatting scams, I recognise that Government, industry and consumers all play a role in addressing this issue.

Digital platform services are a key facilitator in transmitting scams alongside the telecommunications sectors, and technological developments are making this more complex. Today, I encourage you to take immediate and practical action to enhance the digital platform sector's approach to addressing scams, to better protect consumers.

1: Raising digital platforms' commitments by adopting the Australian standard as a first step

Earlier this year, major technology companies signed up to the *Australian Online Scams Code*, that set out industry-led commitments to fight scams. Many of these same technology companies also have a large presence in New Zealand.

I would like to see this code extended to digital platforms operating in New Zealand. I see this as a first step for how digital platforms should combat scams operating on their platforms. I expect a code could be adopted at pace, considering the Australian Code would be the blueprint. I would like to see such a code adopted by platforms operating in New Zealand by mid-2025.

2: Enhancing consumer protections and compensation measures

In my open letter to the banking sector on 29 February 2024, I asked that it update the Code of Banking Practice and investigate a voluntary reimbursement for scam victims. The banking sector has been cooperative, and I am receiving regular updates about this work.

In addition to agreeing to the *Australian Online Scams Code* in New Zealand, the Banking sector has provided me with advice on its draft compensation scheme, and I encourage you to engage with them. I consider there is strong merit in both sectors being aligned, especially where scam messages have travelled through your platforms' services. I am also asking the telecommunications sector to be part of this work.

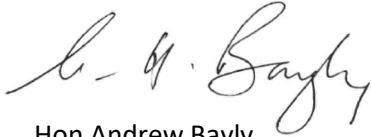
3: Ongoing engagement with the banking and telecommunications sectors

I recognise that online financial scams are complex and are spread across the banking, digital platforms and telecommunications sectors, and that an ecosystem approach is required to uplift all sectors to combat scams.

Due to the highly complex nature of scams, there is strong merit in sectors working together. I would like to see the digital platforms sector, where possible, be proactive in engaging with banking and telecommunications sectors, for the purpose of combatting scams.

I look forward to engaging with many of you at my Scams Roundtable event on 6 December 2024, and on an ongoing basis, to continue the discussion around preventing scams. I am also interested in receiving updates about your progress in implementing the above initiatives.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'A. Bayly', written in a cursive style.

Hon Andrew Bayly

Minister of Commerce and Consumer Affairs