



Australian Government

Department of Infrastructure, Transport,
Regional Development, Communications and the Arts

Consultation paper

Fighting SMS Scams – What type of SMS sender ID registry should be introduced in Australia?

18 February 2024

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Email: SMSsenderID@infrastructure.gov.au

Website: <https://www.infrastructure.gov.au/sms-registry>

Contents

Consultation paper	1
Ownership of intellectual property rights in this publication	2
Use of the Coat of Arms	2
Contact us	2
Introduction	4
Consumer harms	5
Option 1: Voluntary registration	8
Key benefits of voluntary registration	8
Risks of this approach	8
Option 2: Mandatory registration	9
Key benefits of mandatory registration	9
Risks of this approach	10
We are seeking your views	10

Introduction

The Australian Government is seeking feedback on the type of SMS sender ID registry (**registry**) it should introduce to protect alphanumeric sender IDs.¹

On 23 April 2023, the Minister for Communications announced the establishment of a registry as part of the government's suite of initiatives to combat scams and to protect Australians from financial harm.² The registry is one element of the government's approach to scam prevention, alongside the establishment of the National Anti-Scam Centre (**NASC**) within the Australian Competition and Consumer Commission (**ACCC**), work by the Australian Securities and Investments Commission to identify and take down investment scam websites, and consultation on a framework for industry codes to combat scams, with an initial focus on banks, digital communications platforms and telecommunications providers.

Reports of SMS³ scams are increasing. In 2023, 109,000 reports of scams delivered via SMS were received, an increase of 37% from 2022.⁴ Many scams include some form of impersonation, where bad actors use sophisticated tactics to convince their victims they are from a legitimate entity such as a bank or government agency.⁵

The registry aims to protect consumers and brands by disrupting a specific type of SMS impersonation scam, where scammers send SMS with alphanumeric sender IDs to imitate well-known brands such as banks, government agencies or retailers in order to deceive victims, to steal their money or personal information.

The registry would not apply to person to person SMS; it would only apply to application to person SMS communication.

The Australian Communications and Media Authority (**ACMA**) commenced a voluntary pilot for the registry on 15 December 2023 that consolidates and centralises existing provider-level initiatives to protect participating alphanumeric sender IDs from impersonation by scammers. In 2024, the ACMA proposes to expand the pilot by inviting further providers and brands to participate. Lessons from this pilot will help inform the development of the future registry.

The government is now seeking feedback on whether registration of alphanumeric sender IDs in Australia should be mandatory or voluntary. The government has not decided on the model it will adopt.

Under a mandatory registration model, all brands and entities, within Australia and overseas, that wish to continue to send SMS with alphanumeric sender IDs to an Australian mobile phone would have to register those IDs. Telecommunications companies would be subject to enforceable rules and prohibited from sending SMS with alphanumeric sender IDs unless they were registered and the sender was the registered party or agent. If a brand or entity did not wish to register their alphanumeric sender IDs, they could no longer use those IDs, and could only send SMS using phone numbers or short codes⁶ instead. Mandatory registration provides a higher level of both brand and consumer protection, but would result in an impost to those businesses and entities wishing to send SMS with alphanumeric sender IDs.

Voluntary registration would allow brands and entities wishing to send SMS with alphanumeric sender IDs to register those IDs. Telecommunications companies would be subject to enforceable rules requiring them to check participating alphanumeric sender IDs to determine whether the sender was the registered party or

¹ An alphanumeric sender ID means a personalised identifier (e.g. the name of a business or organisation) instead of a phone number. This identifier is a message header that appears at the top of an SMS thread. For more information, see 'what is a sender ID' on p.5.

² Department of Infrastructure, Transport, Regional Development, Communication and the Arts (DITRDCA), [Albanese Government acts to disrupt illegal text message scams](#).

³ SMS is the text messaging service component of most telephone, internet, and mobile device systems. It uses standardised communication protocols that let mobile devices exchange short text messages – allowing users to send and receive messages of up to 160 characters (when entirely alpha numeric) to and from Global System for Mobile Communications (GSM) mobiles.

⁴ ACCC, [Scam statistics | Scamwatch](#)

⁵ [Scams Awareness Week 2023 empowers consumers to ask "Who's really there?" | ACCC](#)

⁶ A short code is a special 5 or 6 digit telephone number that businesses use to send and receive SMS marketing messages.

agent. Voluntary registration provides a considerably lower level of consumer protection from scams, but would only impose costs on those businesses and entities using this type of registry.

All feedback will help inform the government's decision-making process about the type of the registry it should adopt.

Consumer harms

The Australian Bureau of Statistics estimated that 13.2 million Australians were exposed to some type of scam in 2021-22.⁷ Combined scam losses reported to Australian authorities reached a record \$3.1 billion in 2022.⁸

People experiencing vulnerability are disproportionately impacted by scams.⁹ Scammers often deliberately target vulnerable groups such as the elderly, migrants, and people with disability.¹⁰ Data published by the National Anti-Scam Centre¹¹ indicates that in 2023:

- older Australians (65+) experienced the highest financial losses from scams (\$120.9 million)
- Indigenous Australians lost \$3.7 million, and were over-represented in financial losses for identity theft and online shopping
- people with English as a second language lost \$60.5 million, and were over-represented in financial losses for threat-based scams and unexpected money scams; and
- people with disability reported losses of \$30.8 million, and were over-represented in health and medical scams and travel and prize scams.

Scams also lead to reduced consumer trust and confidence and can have negative reputational and other non-financial impacts for businesses. For scam victims, these frauds are often devastating and life-changing.

SMS scams

SMS is now the most frequently reported contact method for scams, and almost \$27 million was lost to SMS scams in 2023, as reported to Scamwatch.¹² The actual figure is likely to be significantly higher, as many scams go unreported. As a popular communications channel, Australians have become accustomed to receiving SMS from businesses or organisations that they trust.¹³ Impersonation scams delivered via SMS decreases consumer confidence in these communications from legitimate brands and entities.

⁷ Australian Bureau of Statistics, [Personal Fraud, 2021-22](#).

⁸ ACCC, [Targeting scams 2022](#)

⁹ ACCC, [ACCC calls for united front as scammers steal over \\$3bn from Australians](#).

¹⁰ Australian Cyber Security Centre, [Types of Scams](#).

¹¹ ACCC, [National Anti-Scam Centre in Action \(acc.gov.au\)](#)

¹² ACCC, [Scam statistics](#)

¹³ [ACMA, Reducing the impact of SMS scams, June 2022](#)

What is an alphanumeric Sender ID?

All SMS received by consumers show a Sender ID at the top of the SMS – a message header – that identifies who sent the message. Sender IDs can be alphanumeric (e.g. the name of a brand, such as 'NAB', 'CBA'), short-codes (e.g. 12345) or public numbers (e.g. 0401 xxx xxx).

Alphanumeric sender IDs are used by many well-known Australian brands and government agencies, so consumers can easily identify who the SMS is from.

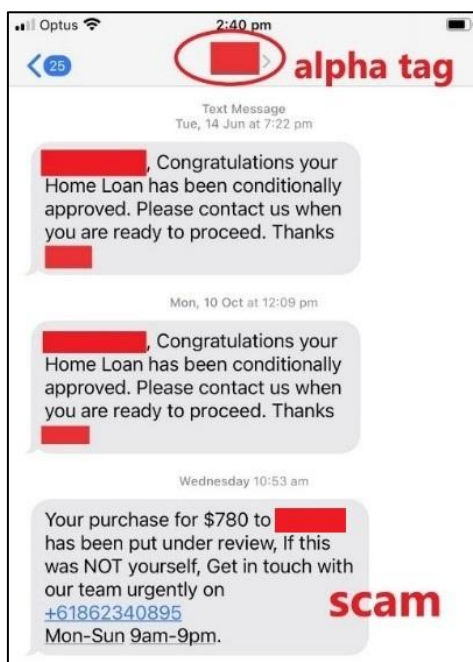
An alphanumeric sender ID does not include message with a phone number at the top of the SMS or a message with an organisation mentioned in the text.

The problem we are trying to solve

Phishing scams involve attempts by scammers to trick consumers into giving out personal information, such as bank account numbers, passwords and credit card numbers.¹⁴ Criminals steal this information by sending a fraudulent SMS inviting consumers to click on links that take them to malicious websites where personal information is obtained or malware is unknowingly downloaded.¹⁵

A particularly problematic SMS phishing technique involves scammers impersonating well-known brands and government agencies by using the alphanumeric sender IDs of those entities. Sender IDs are used to sort SMS within applications on smart phones, meaning a scam SMS may appear in otherwise legitimate SMS threads from businesses or government agencies. This makes it very difficult for consumers to identify a scam.

Example 1: The scam SMS below appear in the same threads as legitimate SMS.



Source: [ACCC Scamwatch on Twitter](#).

¹⁴ ACCC, [Phishing](#).

¹⁵ ACMA, [Reducing the impact of scams delivered via short message service \(SMS\) Regulation Impact Statement](#), June 2022

Case study: Bank impersonation scam – over \$300,000 lost

Niamh received an SMS from a scammer which used the NAB alphanumeric Sender ID and appeared in her regular NAB messages. It said she had been pre-approved for a \$6,000 loan – this alarmed her as she had not applied for a loan. She called the number in the SMS believing she was speaking with NAB but it was a scammer. Niamh questioned whether the SMS was a scam. Lena, a scammer, said it wasn't a scam and that her account was compromised. Lena said she would send an SMS to Niamh via NAB SMS with a reference number to prove she was from NAB. Niamh received the SMS and was convinced that she was talking to her bank. Lena told her that a person was logged into Niamh's banking and that she needed to move quickly to transfer money to secure accounts. Niamh moved \$300,000 from her account but became uneasy. At this point, Lena told her it was a scam and said 'We are in Brisbane, come find me'. Niamh terminated the call and contacted the real NAB fraud department.

Source: ACCC, [Targeting scams 2022](#).

Options for an SMS Sender ID Registry

The government considers that a registry is an effective way to protect consumers from scams which impersonate alphanumeric sender IDs. Registries are used in various countries. They can be run by private companies or government agencies, and registration can be voluntary (no obligation to register alphanumeric tags) or mandatory (alphanumeric tags must be registered if an entity wants to continue using them). Generally, the core elements of a registry are:

- a. Users of alphanumeric tags register those IDs on a centralised registry (usually at a cost), after the user is authenticated by the registry operator.
- b. When SMS are sent using alphanumeric tags, the registry is used by the originating telco and/or other telcos in the delivery chain to check one or more of the following data points:
 - Is the sender ID registered?
 - Is the sender the registered party or their authorised representative?
 - Is the originating telco participating in the registry?

If an SMS does not pass these checks, it could be labelled as a potential scam or blocked as fraudulent.

A registry would complement the Reducing Scam Calls and Scam SMS Industry Code (the Code) registered by the ACMA on 12 July 2022. The Code places obligations on telecommunication providers that originate SMS traffic to confirm the customer has a legitimate use case for an alphanumeric sender ID.

In December 2023, the ACMA commenced a pilot registry as an interim measure and to help inform the development of the future registry.

The Australian Government is seeking your views on the type of registry that should be adopted in Australia. An overview of the two options under consideration is set out below.

Option 1: Voluntary registration

What would voluntary registration of SMS alphanumeric Sender IDs involve?

This option would likely require:

- all businesses and entities could register alphanumeric Sender IDs they propose to use when sending SMS
- when a request to send an SMS with an alphanumeric sender ID is made, the telecommunications provider will be required to check the sender information against the details in an allow list in the registry. If the alphanumeric sender ID is listed but the number used to send the message is not listed, messages could be blocked or tagged as fraudulent
- that ongoing operational costs involved in running the registry may be cost-recovered from businesses and entities registering SMS alphanumeric Sender IDs, and
- new rules to be introduced which apply to telecommunications providers sending SMS with alphanumeric sender IDs. These rules would be enforced by the ACMA.

Key benefits of voluntary registration

- Brands and organisations can choose whether or not to register their alphanumeric sender IDs. If they choose not to register, they can continue to use their alphanumeric sender IDs and will not incur registry related costs.
- Registered alphanumeric sender IDs are protected. If the sender ID is registered and the sender does not have a valid use case, telecommunications providers would block the SMS.

Risks of this approach

- A voluntary registry would provide less comprehensive protection to consumers as scammers would be able to sequentially target entities and brands that have not registered. Voluntary registration would not stop criminals targeting businesses and entities who have not registered alphanumeric sender IDs. Consequently, members of the public would likely continue to receive scam SMS impersonating brands that have not registered.
- Consumers would not know which brands and entities are protected and which entities are not, leaving them vulnerable to scams and/or distrustful of all texts with alphanumeric sender IDs.
- A blocklist is needed to prevent variations of legitimate alphanumeric sender IDs being used by scammers. This is usually a manual process which involves adding new variations to an ever increasing blocklist that can be difficult to maintain. Consumers will continue to receive scams via these variations until they are added to the blocklist.
- As with a mandatory registry, there would be costs to businesses and entities who choose to register.

Option 2: Mandatory registration

What would mandatory registration of SMS alphanumeric Sender IDs involve?

- Under a mandatory registration model, **all** brands and entities in Australia and overseas who want to continue using alphanumeric sender IDs to send SMS to Australians would have to register those IDs. If they do not register their alphanumeric sender IDs, they could no longer use those IDs and would have to use phone numbers or short codes as sender IDs instead.
- When SMS are sent using alphanumeric sender IDs, telecommunication providers check whether the IDs are registered, and if the senders are the registered parties. If not, messages are blocked or tagged as fraudulent. All unregistered alphanumeric sender IDs would also be blocked or tagged as fraudulent.
- Ongoing operational costs involved in running the registry may be cost-recovered from businesses and entities registering SMS alphanumeric Sender IDs, and
- New legislation is needed to establish the registry and rules need to be introduced which require telecommunications providers to comply with the registry. These rules would be enforced by the ACMA.

Key benefits of mandatory registration

- Provides a very high level of protection to brands and consumers, as SMS traffic with alphanumeric sender IDs will only reach consumers where the sender ID is registered and originates from a legitimate sender. All other SMS with alphanumeric sender IDs will be blocked, giving consumers confidence that SMS which appear in existing message streams are legitimate.
- There is therefore no need to also maintain a blocklist.
- Scammers would not be able to target consumers via use of alphanumeric sender IDs that have not been registered.¹⁶

There was strong support for mandatory registration in targeted consultation undertaken by the ACMA in 2023.

Case study - The Singapore Sender ID registry

The Singapore Sender ID Registry (SSIR) requires mandatory registration for organisations wishing to use SMS sender IDs.

Under this registry, the merchant/organisation registers their sender ID(s) with the Singapore Network Information Centre (SGNIC). Once checked and approved, SGNIC disseminates a list of checked sender IDs and merchants to Participating Aggregators (PAs), the companies sending bulk SMS messages, (i.e. an allow list).

PAs who wish to send SMS with sender IDs must participate in the SSIR and must only accept SMS with allow listed sender IDs. Those without allow-listed sender IDs are blocked.

As an interim measure for 6 months from January 2023, these messages were allowed but were tagged 'likely scam'.

Research released in November 2023 found that 87% of Singapore consumers said the SSIR has made it easier to identify the legitimacy of the SMS they receive. 63% also noted that the SSIR has resulted in them receiving less spam or scam messages.

Source: PR Newswire, 16 November 2023, ['Singapore Consumers More Confident in Recognising Scams: Toku Research'](#).

¹⁶ noting scammers could still send SMS messages that fraudulently include brand names in the body of the message.

Risks of this approach

- A mandatory registry would mean all entities and brands who wish to continue using alphanumeric sender IDs for SMS would have to register them, and would incur fees for registration.
- This means that entities who are not impacted by scams would either have to stop using their alphanumeric sender IDs (and use a mobile number or short code instead), or register and pay to keep using them.
- Legitimate SMS could be blocked if an entity has not registered its alphanumeric sender ID by the date the registry comes into full effect.

Anticipated Costs

A registry (whether voluntary or mandatory) is likely to involve costs for those brands and entities registering alphanumeric sender IDs. We anticipate this would operate on a ‘user pays’ basis, as a cost-recovery model.¹⁷

While a decision on cost arrangements has yet to be made, the likely costs to brands and entities participating would include recovering the costs of operating the registry.

Based on overseas models, this could comprise a one-off set-up fee and an annual fee either for each alphanumeric sender ID registered or for each business/entity registered.

For example, in Singapore where SMS Sender ID Registration is mandatory, the cost to register includes a one-off set-up fee of S\$500 (A\$567 approx) for each registered organisation, and an annual charge of S\$200 (A\$227 approx) for each registered Sender ID, excluding GST.

The costs in Australia will depend on the type of model adopted and the rate of take up by businesses and entities. Should a voluntary registry model be adopted in Australia, it is estimated that costs would be higher for each participating entity than under a mandatory registry model – as there would be fewer participants from which to recover operational costs.

We are seeking your views

Submissions are invited which address the following questions:

- Have you, your organisation, or clients been targeted by SMS impersonation scams that used your alphanumeric sender ID(s)?
- Do you support the introduction of a voluntary or mandatory SMS Sender ID Registry for alphanumeric sender IDs? Why?
- What, if any, transition arrangements are required?

You can respond to the paper and share your views with us by email to SMSsenderID@infrastructure.gov.au, or by mail to:

SMS Sender ID Registry Consultation
Communications Services and Consumer Division
Department of Infrastructure, Transport, Regional Development, Communications and the Arts
GPO Box 594
Canberra ACT 2601

Please include:

- contact name
- organisation name, if applicable

¹⁷ Cost recovery involves the Australian Government charging the non-government sector some or all of the efficient costs of a specific government activity. That activity may include the provision of goods, services or regulation, or a combination of them. Source: [Australian Government Cost Recovery Policy | Department of Finance](#)

- contact details, including telephone number, postal and email addresses
- confirmation whether or not your submission can be made public—published—or kept confidential.

All submissions to be made public need to meet the [Digital Service Standard](#) for accessibility. Any submission that does not meet this standard may be modified before being made public.

If your submission is to be made public, please ensure you do not include any personal information that you don't want to be published.

If your submission is confidential, please ensure each page of the submission is marked as confidential.

Please refer to the [Privacy Collection Notice](#) regarding the collection of information supplied, and confidential submissions.

If you prefer to provide feedback via a short survey, this may be accessed [here](#).

We are seeking your feedback by 5pm Wednesday 20 March 2024.