

Communications Services and Consumer Division

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

By email only: SMSSenderID@infrastructure.gov.au

20 March 2024

Dear Sir/Madam

**RE: Consultation paper on Fighting SMS Scams – What type of SMS sender ID
registry should be introduced in Australia?**

About Esendex

Esendex is part of the Commify Group which operates globally, providing business communication services predominantly to SMEs. The Australian business is operated by Esendex Australia Pty Limited and represents around 4% of the group's business with an annual revenue in 2023 of 7.9 million AUD.

Esendex operates a Communications Platform as a Service (CPaaS) which allows our customers (corporates) to send multi-channel communications including SMS to their customers (typically consumers) with a variety of use cases. We have direct connections to the major mobile network operators via our SMS gateway and have relationships with large SMS aggregators to ensure a robust SMS delivery network in Australia.

Given the global footprint of the Commify Group, we have experience in operating in a range of different regulatory environments. Regulators have taken varying approaches across jurisdictions ranging from mandatory centralised Sender ID registers to reliance on network operators to reduce fraud through the use of trusted routes and blocklists.

Fraud continues to be an issue in the industry with bad actors constantly evolving to find new ways of sending smishing campaigns. A holistic approach is required to combat fraud at all levels. It is important to look at all levels of the industry as there is a risk that the majority of the cost of fraud reduction falls on small and medium CSPs which could impact their ability to provide valuable services which ultimately benefit Australian businesses and citizens.

Voluntary or mandatory SMS Sender ID Registry for alphanumeric sender IDs

Resource and Cost Considerations

A mandatory SMS Sender ID Registry undoubtedly brings the most benefits when it comes to tackling fraud. However, the design and implementation of any Registry is key.

The Scams Code was a welcome introduction in the battle against fraud, however achieving compliance has required substantial resources and cost. Commify introduced an internal registration process whereby all Sender IDs are validated prior to being used to send any SMS.

The introduction of a mandatory Registry would not necessarily further reduce fraud originating from responsible and legitimate CSPs but would bring further resource and cost implications. This would undoubtedly disproportionately affect smaller organisations.

Commify would therefore suggest that the design and integration of businesses with any Registry are carefully thought through to balance these factors, otherwise small and medium CSPs will be prejudiced.

Pilot Phase Output

It is challenging to comment fully given the lack of information about the Registry pilot phase which only involved MNOs. MNOs generally manage a very different type of customer, simpler supply structures and have different interests to CSPs.

A solution that may work well with little cost implications for MNOs, will not necessarily be manageable further down the supply chain and this must be considered.

There is therefore a need for further consultation on the technical design and operationalisation of a Registry with closer involvement of CSPs.

Registration and Usage

The registration process is key and there must be a clear understanding of how Sender IDs could be registered and/or used by multiple parties.

Technically, the registration process should be integrated and automated via an API with automatic responses on success/failure of a submission. There should be no manual uploading of files as this leads to errors.

A CSP should be able to register Sender IDs on behalf of its customer and its customers' customer (in the case of resellers) to ensure a seamless and compliant service can be offered. There should not be a requirement that customers register themselves as this hurdle will likely push customers to other channels.

Certain customers have various suppliers that send SMS on their behalf so it must be considered how to make this workable in practice under any Registry regime. As an example, several agents using different CSPs can have authority to use the Sender ID of one customer.

In addition, non-Australian businesses should be able to register Sender IDs and this must be thought through.

Voluntary Registry

Commify does not believe that a voluntary Registry utilising a blacklist is realistically manageable. Managing blacklists is an intensive ongoing process and can result in poor service for customers who may choose not to send using Sender IDs.

Any "trusted route" type design has similar changes in becoming almost unmanageable and creating a poor experience for customers. It is very difficult to provide clear rules in this regard, which results in interpretation causing issues for suppliers and customers. It is impossible to consider every eventuality which makes this resource heavy to manage on an ongoing basis.

In our view it is hard to make this type of solution successful and in the UK we have experienced serious complexities and challenges in managing a similar system.

What, if any, transition arrangements are required?

Commify believes that the design and implementation of any Registry is of the utmost importance. Any Registry that will require technical changes and integration will need to be planned carefully with reasonable lead times allowed.

There must be engagement with all levels of the supply chain and an understanding of how complex customers use A2P messaging. Once a decision on the form of the Registry is made, transitional arrangements and timings should be considered in more detail.

Summary

Engagement with CSPs is important to ensure a Registry is workable for the industry as a whole. The introduction of a mandatory Registry should seek to limit the financial and administrative burden on CSPs and be designed to be simple to use, to ensure continued use of valuable SMS services.

Yours faithfully



General Manager - APAC

Esendex Australia Pty Ltd

