



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

Consultation paper

Twilio Comments

March 2024

Twilio welcomes the opportunity to provide inputs to the Consultation Paper released by the Department of Industry, Science and Resources (DISR) in relation to the type of SenderID registry that should be introduced in Australia. Twilio remains fully committed to the goals of protecting consumers from illegal text messaging and ensuring trust in the Australian text messaging ecosystem, both of which are vital to ensuring that ecosystem's ongoing success and long-term health.

Maintaining consumer trust in text messaging enhances the value and use of messaging by small and medium-sized businesses, larger enterprises, non-profit organizations, and governmental entities, all of whom constitute Twilio's customers. However, there is no single approach that can be taken to stop scam, and therefore a collaborative, whole of industry approach is needed to combat this issue.

We note that at this point we don't have full clarity on the proposed system for the SMS SenderID Registry and so our comments stand, pending further details on its design and operation.

Twilio's comments are summarised as follows and explained further below:

Mandatory or voluntary scheme

Twilio believes that implementing a mandatory scheme would be the best approach due to the uncertainties surrounding the SenderID Registry. This would enable critical brand protection and reduce phishing scams. Unregistered traffic should still be able to send messages without an alphanumeric sender ID.

Transition arrangements

Twilio emphasizes the importance of considering the operational details of the SenderID Registry. We suggest allowing at least one year for transitioning to a new registry, potentially longer if additional technology development or onboarding is necessary.

Additional comments

We would encourage the pilot to be expanded to include a wide variety of business models as this will provide better design and operational inputs. Twilio acknowledges the significant effort involved in building a new system and believes that lessons from the pilot phase will be critical in creating a successful tool.

We also encourage the Government to consider opportunities for further scam prevention, in particular actions that offer multiple indicators to identify scams, crucial for preventing disruptions to legitimate traffic. For instance, use of call-to-action URLs in a scam message paired with a registered SenderID in an SMS message would be a further aid in disrupting scams and safeguarding consumers.

ABOUT TWILIO AND STATEMENT OF INTEREST

Twilio offers cloud communications services that enable software developers to build, scale, and operate real-time customer engagement, including voice, text, chat, email, and video, into web and mobile applications. Since its founding in 2008, Twilio has grown to a company of more than 6,700 employees, with offices in the United States, Europe, Asia, and Latin America, in addition to Australia.

Today, Twilio powers more than one trillion annualized interactions every year and helps more than 250,000 customers reinvent how they engage with their own clientele. Twilio has been present in Australia since 2018, and powers the communications behind thousands of organizations in numerous sectors. Major brands we support include Westpac, Domino's Pizza, and Woolworths. We are also proud to enable the crucial work of government such as Service NSW and not-for-profits like Lifeline Australia.

Twilio remains fully committed to the goals of protecting consumers from illegal text messaging and ensuring trust in the Australian text messaging ecosystem, both of which are vital to ensuring that ecosystem's ongoing success and long-term health.

Australia continues to be an important market for Twilio, and we are keen to continue participating in policy discussions and developments, including those relating to scam, which will shape Australia's communications future.

TWILIO COMMENTS

Mandatory or voluntary

Noting that the operational details of the SenderID Registry are not yet known, Twilio thinks that a mandatory scheme would be the best option pending this additional information. This would allow for the critical brand protection to be achieved quickly and would also reduce the opportunities for the particularly problematic phishing scams such as those referenced in the Consultation Paper.

We believe that a mandatory scheme where businesses must register their alphanumeric sender IDs in order to send branded SMS could still allow unregistered SMS to be sent. This would allow smaller businesses to incur the administrative and financial costs only if they can and would also allow international traffic to get through. This is particularly valuable for groups such as international travellers who may need to receive a one-time passcode (OTP) for banking for example.

As part of this model the SenderID Registry could consider tagging all unregistered SMS as 'Unverified sender' or something similar. This indication would bring a considerable level of caution for consumers receiving the message, while allowing for occasional but important edge cases. It would also encourage businesses to register. Since January 2023 this approach has been successfully operating in Singapore where unregistered traffic includes the alpha tag "Likely SCAM".

More generally a mandatory registry has been working successfully in Singapore since 2022 and this provides a valuable blueprint for the Australian registry. The success of the registry system in Singapore has been significant, with a reported 64 per cent reduction in scams through SMS from the last quarter of 2021 to the second quarter of 2022¹. It is reasonable to expect a similar registry in Australia would also see success in reducing scam.

Transitional arrangements

Here again it would depend on the details of the operational elements of the SenderID Registry, however Twilio would strongly encourage the Government to allow one year for transition to a new SenderID Registry. This might be longer if there is a need for considerable additional technology development or onboarding.

This period would also allow for the appropriate education campaign to be undertaken to help both small businesses and consumers understand what is happening. In this context a phased approach with generous timeframes would allow for smooth implementation that would not disproportionately impact smaller players in the market.

Additional comments

Twilio recognises building and trialling a new system of this kind is a considerable undertaking. However, given the experiences from the pilot will be central to informing the development of the future registry, we are concerned that a wide variety of interested brands and CSPs are not yet able to participate.

We understand that the planned expansion of the pilot may still be limited with participation requiring that all SMS traffic for each registered alphanumeric sender ID must originate from a single telco. Obviously, most businesses don't work this way, so many will likely not be able to participate in the pilot. We therefore encourage the Government and the ACMA to consider closely how they will factor

¹<https://www.imda.gov.sg/how-we-can-help/anti-scam-measures#:~:text=Since%20the%20setting%20up%20of,down%20from%2010%25%20in%202021> (visited 13 March 2024).

in the variety of models currently in use across the industry and ensure these can also be fed into the design of the Australian SenderID Registry.

Part of the success of a registry will be based on the stringent vetting of those applying for an alphanumeric senderID. While we think at this time a central body undertaking this role makes sense, in the future the Government should consider providers that can provide strict vetting services. For example, the regulator could qualify providers of verification services and these could better enable parts of industry such as independent software vendors to more easily onboard their customers.

We also note that approaches to scam are always evolving, and we encourage the Government to look globally when considering the suite of tools for use in Australia. For instance, in some countries Twilio is able to use message filtering tools that incorporate, among other things, advanced machine learning systems and lists of prohibited terms to identify and block suspicious text messages. Twilio iteratively updates these filters and monitors for attempts at evasion.

Such capabilities can provide multiple indicators of scam, a critical element to prevent disruption of legitimate traffic. For example, an additional element in scam SMS is often a call to action such as a URL. This is a highly identifiable indicator that, alongside other indicators, can be used to disrupt scam and protect consumers.

As the process for the development of the SenderID registry continues to develop, Twilio encourages the Government to use technology and a variety of tactics available to ensure that both consumers are protected, and legitimate traffic is not disrupted.

CONCLUSION

Twilio is committed to protecting consumers from illegal text messaging and ensuring ongoing trust within the messaging ecosystem. We strongly believe that collaborative efforts are the best means of minimising scam text messages. Twilio also welcomes the opportunity to partner with the Government and other stakeholders to continue to enhance and develop innovative solutions that protect consumers and promote trust in SMS.

To that end, Twilio strongly supports the Government's overarching goal of ensuring a messaging ecosystem where consumers are protected from harm and innovative messaging services can continue to flourish.

Twilio thanks the DISR for this additional and valuable opportunity to contribute to the progress of Australia's SenderID Registry and looks forward to continuing to engage in constructive dialogue with all relevant stakeholders on this important development.