

Final Investigation Report

Summary	
Entity	SMSGlobal Pty Ltd (SMSGlobal)
ACN / ABN	ACN 162 718 452
Type of entity	Carriage service provider (CSP)
Relevant Legislation	<i>Telecommunications Act 1997</i> (the Act) Industry Code C661:2022 Reducing Scam Calls and Scam SMs (the Code)
Date of findings	28 June 2024

Findings

The Australian Communications and Media Authority (**ACMA**) finds that SMSGlobal has contravened the Code, as set out at Table 1 below.

Table 1: Summary of contraventions

Legislation	Provision	Number of contraventions	Relevant period
The Code	Clause 5.2.2	At least 1,056,131	30 July, 27 September, 24 October and 3 November 2022, and 4, 11, 18 and 25 January 2023
	Clause 6.1.1	6	28 October 2022, 31 January, 3 May, 28 July and 27 October 2023, and 30 January 2024

Reasons

1. The reasons for the ACMA's findings, including the key elements which establish the contraventions, are informed by:
 - (a) information obtained from SMSGlobal on 14 December 2022, 4 and 14 July 2023 in response to compulsory notices given by the ACMA under section 521 of the Act,
 - (b) additional information obtained from SMSGlobal on 20 February and 4 September 2023,
 - (c) ACMA analysis of traceback emails made by carriers and carriage service providers (C/CSPs) under the Code, and
 - (d) SMSGlobal's responses on 1 May and 20 June 2024 to the ACMA's Preliminary Investigation Report provided to the respondent for procedural fairness.

Relevant background

2. The Code is an industry code registered by the ACMA under Part 6 of the Act. The Code places obligations on all C/CSPs to implement measures to protect consumers from harms caused by scams and to disrupt scam activity in Australia.
3. Among the obligations, the Code places requirements C/CSPs to:
 - (a) not originate SM traffic on their networks using Alphanumeric Sender IDs without taking steps to confirm that the A-Party has a valid use case.
 - (b) to report blocked scam calls and scam SMs to the ACMA quarterly.

4. The purpose of the Code is to protect as many Australians as possible from harms caused by scams by disrupting scam activity in Australia and maintaining robust number hygiene to restore confidence in the legitimacy of calls and SMS reaching consumers. Key elements to achieving this objective are ecosystem-wide level compliance with number rights of use and SMS Alphanumeric Sender ID validation.

Compliance with clause 5.2.2 – Alphanumeric Sender ID accuracy

5. Clause 5.2.2 of the Code states:

If a SM uses an Alphanumeric Sender ID, Originating C/CSPs must only originate SMS on their Telecommunications Network using an Alphanumeric Sender ID where:

- a) *it does not present as a Number; and*
- b) *the Originating C/CSP has been provided evidence by the A-Party confirming that the A-Party has a valid use case for the Alphanumeric Sender ID.*

6. Clause 2.2 of the Code states Alphanumeric Sender ID means a personalised identifier (for example, the name of a business or organisation) instead of a Number.
7. The ACMA has considered whether SMSGlobal complied with clause 5.2.2 of the Code by addressing the questions set out in **Table 2** below.

Table 2: Conditions for originating SMS using Alphanumeric Sender ID

Is SMSGlobal a CSP?	<p>Yes. SMSGlobal is a CSP as defined in the Code as it is a CSP as defined at section 87 of the Act.</p> <p>Accordingly, SMSGlobal must comply with clause 5.2.2 of the Code.</p>
Has SMSGlobal originated SMS on its telecommunications network using Alphanumeric Sender IDs where it does not present as a number?	<p>Yes. Information obtained from SMSGlobal on 23 June 2023 indicates that it allowed A-Parties to use Alphanumeric Sender IDs to send SMS originated on its telecommunications network for the period from 12 July 2022 to 21 April 2023.</p>
Was SMSGlobal provided evidence by the A-Party confirming that the A-Party had a valid use case for the Alphanumeric Sender ID prior to SMSGlobal originating SMS on its telecommunications network from the A-Party?	<p>No.</p> <p>SMSGlobal stated it had manual processes in place to establish an A-Party customer had a valid use case for an Alphanumeric Sender ID during its on-boarding procedures. SMSGlobal stated that its on-boarding procedures involved background checks on customers’ names (domain and business) and consideration of email origin and business background.</p> <p>Although, the manual processes may have provided some assurance about the identity of the customer, the ACMA found that SMSGlobal’s processes did not include adequate steps to obtain evidence (such as written documentation) from its customers that they had a valid use case for Alphanumeric Sender IDs, prior to SMSGlobal originating SMS.</p> <p>Further, SMSGlobal did not provide the ACMA with evidence to demonstrate that it had followed its manual processes to confirm a valid use case in relation to:</p> <ul style="list-style-type: none"> • 321,278 SMS sent on 4 January 2023; • 225,359 SMS sent on 11 January 2023;

	<ul style="list-style-type: none"> • 268,992 SMS sent on 18 January 2023; and • 240,497 SMS sent on 25 January 2023. <p>In addition, information obtained by the ACMA from traceback emails and from SMSGlobal indicated that on at least 5 occasions SMSGlobal originated scam SMS from A-Parties using the Alphanumeric Sender IDs 'Alert', 'AusPost' (2 SMS), 'NAB' and 'ANZ' on 30 July, 27 September, 24 October and 3 November 2022 respectively. SMSGlobal was the Originating CSP and it was not provided evidence of a valid use case before originating these SMS.</p> <p>Accordingly, SMSGlobal did not comply with the obligation to only originate SMS using an Alphanumeric Sender ID where it has obtained evidence of a valid use case to use the Alphanumeric Sender ID on at least 1,056,131 (1,056,126 + 5) occasions.</p>
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8. Accordingly, the ACMA finds that SMSGlobal did not comply with clause 5.2.2 of the Code on at least 1,056,131 occasions.

Compliance with clause 6.1.1(b) – Reporting

9. Clause 6.1.1(b) of the Code states:

C/CSPs must, within 20 Business Days of the end of each calendar quarter, report to the ACMA:

[...]

b) For Scam SMS, in the format and detail specified in Appendix E.

10. The ACMA has considered whether SMSGlobal complied with clause 6.1.1(b) of the Code by addressing the questions set out in **Table 3** below.

Table 3: Reporting obligations

Is SMSGlobal a CSP?	<p>Yes – refer to Table 2 above.</p> <p>Accordingly, SMSGlobal must comply with clause 6.1.1(b) of the Code.</p>
Did SMSGlobal, within 20 Business Days of the July to September 2022, October to December 2022, January to March 2023, April to June 2023, July to September 2023 and October to December 2023 calendar quarters, report to the ACMA the number of scam calls and scam SMS it blocked?	<p>The ACMA did not receive reports from SMSGlobal on the number of scam calls or scam SMS blocked for the 1 July to 30 September 2022 quarter and the 1 October to 31 December 2022 quarter, within the requisite timeframes.</p> <p>SMSGlobal acknowledged it had not provided reports to the ACMA and it would ensure timely submission in the future.</p>

11. Accordingly, the ACMA finds that SMSGlobal did not comply with clause 6.1.1(b) of the Code on 6 occasions by failing to provide report for the quarters July to September 2022, October to December 2022, January to March 2023, April to June 2023, July to September 2023, and October to December 2023 within 20 Business Days after each respective quarter.