



## SCAM STRATEGY, DISRUPTION AND ENFORCEMENT

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### Key Messages

- Scams are an unacceptable burden on the Australian community and combatting scams is an ASIC and government priority.
- ASIC is committed to disrupting investment scammers, working with its co-regulators, especially the ACCC, industry and the community.
- ASIC will continue to develop and provide tools for consumers to identify and avoid investment scams
- ASIC's Scam Strategy is designed to target known risks and to maximise disruption of scammers.
- In **FY22/23**, we are both taking enforcement action against egregious investment scams and prioritising disruption against scammers.

### Background

#### *Growth in scam losses*

- The ACCC's Targeting Scams report, released on 4 July 2022, estimates a total of \$1.8bn in reported losses, which includes \$700m in investment scam losses. This is likely to be a fraction of the true cost to the community.
- Scams have increased during the pandemic, with scammers looking to take advantage of heightened uncertainty. The number of crypto and investment scam reports of misconduct (ROMs) lodged with ASIC peaked in 2021. Since April 2021 the proportion of scam and crypto ROMs has stabilised at approximately 20% of the total volume of ROMs received.

#### *ASIC's regulatory objectives*

- The regulatory objective of ASIC undertaking work to combat scams is to reduce the incidence of investment scams and consequently the impact on Australian consumers. We aim to do this by:
  - Taking a targeted and proactive approach to the disruption of investment scams, using innovative data driven approaches and with earlier intervention.
  - Working closely with other Australian and international Government departments, regulators and law enforcement agencies and with industry and consumer groups to ensure a comprehensive and coordinated approach.
  - Informing consumers about what they can do, and providing tools for them, to reduce the chances of them becoming victims of scams.

### ASIC Action

- ASIC will:
  - Leverage the capacity of third parties to disrupt and reduce the opportunities to exploit and promote scams.
  - Engage with other regulators and law enforcement agencies on combatting scams. We will continue to build a more coordinated and effective relationship with the ACCC, the lead scams agency. We will work to fully leverage these engagements and



support Treasury in its work to achieve a whole of Government approach to addressing scams.

- Work with our regulated entities involved in our payments system and other third parties whose platforms are used to promote and facilitate investment scams. They all have the capacity to disrupt and reduce opportunities for perpetrators to exploit and promote scams. This work includes the current work being done by the Institutional Supervision and Credit & Banking teams examining the approaches being taken by the ADIs in reducing the risk of and in remediating customers who become victims of scams.
- Leverage from the good work done with Google and the use of its platform by unlicensed entities and individuals; we will seek to persuade other platforms, such as Meta, to act and not to advertise financial products or services in Australia without an AFSL.
- Take targeted enforcement action against those responsible for serious investment scams targeting Australian consumers.
- Provide information and tools to consumers and industry on how to recognise and avoid investment scams, including through MoneySmart and ASIC's Do Not Deal List.
- Supplement the role of the ACCC in consumer messaging on scams. We intend to contribute to and participate in the national Scams Awareness Week in November 2022. Work will also be undertaken to identify and implement improvements to the Moneysmart 'Do Not Deal' site, and we will work towards being able to provide the public and partners with the authorised URLs of our licensed entities.
- Support the Government in [implementing](#) a program of reform relating to improving the regulation and response to scams impacting Australian consumers. We will actively engage with Treasury and Government in the development of these reforms, and on any NPP(s) to be submitted to submitted to Cabinet in the next budget round.

#### **ASIC Enforcement Action**

- ASIC FSE currently has **5** investment scam matters in court, **5** under investigation, and **1** brief referred to CDPP and **1** brief referred to delegate for administrative action.

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