



ASIC
Australian Securities &
Investments Commission

M01682109

INFRINGEMENT NOTICE

Section 12GX of the *Australian Securities and Investments Commission Act 2001* (Cth)

Date of giving this notice: 19 September 2023

Unique identification code: M01682109

To: Bobbob Pty Ltd
ACN 652 793 318

1. ASIC gives this infringement notice under section 12GX of the *Australian Securities and Investments Commission Act 2001* (Cth) (**ASIC Act**).
2. ASIC has reasonable grounds to believe that Bobbob Pty Ltd (**Bobbob**) has contravened an infringement notice provision of the ASIC Act as follows:
 - (a) From 19 July 2022 to at least 1 December 2022 (**Relevant Period**), Bobbob contravened section 12DB(1)(e) of the ASIC Act by, in trade or commerce, in connection with the supply or possible supply of financial services, or in connection with the promotion by any means of the supply or use of financial services, making a false or misleading representation with respect to the performance characteristics of services.
 - (b) During the period 1 April 2022 to 1 December 2022, Bobbob offered an interest earning crypto-asset based investment product to Australian consumers (**Investment Product**). To acquire the Investment Product, customers deposited Australian Dollars (**AUD**) into a Bobbob account. The AUD deposits were then exchanged for the crypto-asset USD Coin (**USDC**), which is said to be a "stablecoin" whose value is pegged to the United States Dollar. This USDC was transferred to Bobbob's lending partners, who in turn, could loan the crypto-assets to various third party borrowers in return for interest. A portion of the interest earned on those loans was passed on to Bobbob customers. When customers withdrew from the Investment Product, their investment (plus interest) was returned in AUD.
 - (c) Bobbob marketed its Investment Product through various channels, including:
 - i. its website at the address <https://www.bobbob.co> (**Bobbob website**);
 - ii. its TikTok account under the username "bobbobfinance" (**Bobbob TikTok Account**); and
 - iii. its Instagram account under the username "bobbobfinance" (**Bobbob Instagram Account**).
 - (d) Bobbob published statements that customers would earn an interest rate of 7.6% per annum from the time they deposited funds in the Investment Product. These statements included:
 - i. a comment on the Bobbob TikTok Account on 19 July 2022 (appearing on the account for the duration of the Relevant Period):

"Inflation killing your vibes? Beat inflation by earning 7.6% p.a. from today with Bobbob #fyp #fintok #inflation #finance #beatinflation".

- ii. a Bobbob Instagram Account post of 13 September 2022 (appearing on the account for the remainder of the Relevant Period):

"7.60% is available for ALL! We're sick of being excluded from earning a fair interest rate because of our age! If anything, the older you are, the higher the odds your bank makes more money from you Bobbob is different! We are inclusive. All ages are welcome, whether you 18, 98 or 198. #australia #finance #investing".

- iii. a Bobbob Instagram Account post of 14 September 2022 (appearing on the account for the remainder of the Relevant Period):

*"7.60% isn't an introductory offer, it's ongoing! We're bombarded with adverts shouting 'EARN 3% * ' with sneaky asterisks', when followed, lead us to understand the rate is introductory, i.e. it only lasts for 3 months.... These SUCK. We're over them, as you are sure to be too, just like home NBN rates being used as sneaky sales tactics. Adios introductory offer rates".*

- iv. on the Bobbob website from at least 28 September 2022 to at least 5 October 2022:

"Earn 7.60% p.a. on your savings"

"Start earning 7.6% on your savings today. Download now".

- (e) By publishing the above statements, Bobbob represented that an interest rate of 7.6% per annum would be payable on investments in the Investment Product (**Representation**). The statements were not qualified to indicate that customers could earn "up to" 7.6% per annum, being the maximum interest rate available. The Representation concerned the performance characteristics of the Investment Product.

- (f) The Representation was false or misleading in contravention of s12DB(1)(e) of the ASIC Act because:

- i. customers received variable interest rates under the Investment Product. A customer's applicable interest rate was subject to Bobbob's "Referral Rules"; and
- ii. under Bobbob's "Referral Rules", customers received a varying percentage of maximum interest rate (being 7.6% per annum across the period the Investment Product was offered), based on the number of new users they referred and who opened accounts with Bobbob. Higher percentages of the maximum interest rate applied where the customer referred more new users. Customers who had not made any referrals to Bobbob received a base interest rate of between 4% to 5% per annum, unless they received a promotional code.

Amount payable under this notice

- 3. The amount payable under this notice in relation to the alleged contravention is **\$13,320**. This amount can be paid using the method detailed in the covering letter accompanying this notice.
- 4. The payment period for the notice will be 28 days, beginning on the day after this notice is given, unless the period is extended, an arrangement is made for payment by instalments or the notice is withdrawn.

5. Bobbob may, in writing, apply to ASIC to have the period in which to pay the amount extended or for an arrangement to pay the amount by instalments.

Consequences of paying the amount payable under this notice

6. If Bobbob pays the amount stated in this notice within the time for payment mentioned above then (unless this notice is withdrawn):
 - (a) any liability of Bobbob for the alleged contravention is discharged;
 - (b) Bobbob will not be liable to be prosecuted in a court, and proceedings seeking a pecuniary penalty order will not be brought, in relation to the alleged contravention of the infringement notice provision; and
 - (c) Bobbob will not be regarded as having contravened the infringement notice provision or having been convicted of an offence constituted by the same conduct.
7. Payment of the amount payable under this notice is not an admission of guilt or liability.

Consequences of not paying the amount payable under this notice

8. Bobbob may choose not to pay the amount specified in this notice.
9. If Bobbob does not pay the amount specified in this notice within the time for payment mentioned above, and the notice is not withdrawn, Bobbob may be prosecuted in a court, or proceedings seeking a pecuniary penalty order may be brought, in relation to the alleged contravention of the infringement notice provision.
10. The maximum pecuniary penalty that a court may order Bobbob to pay for the alleged contravention is the greatest of:
 - (a) \$11,100,000; and
 - (b) if the Court can determine the benefit derived and detriment avoided because of the contravention – that amount multiplied by 3; and
 - (c) either:
 - i. 10% of annual turnover of the body corporate for the 12-month period ending at the end of the month in which the body corporate contravened, or began to contravene, the civil penalty provision;
 - ii. if the amount worked out under subparagraph (i) is greater than an amount equal to \$555 million - \$555 million.
11. The maximum criminal penalty that a court may order Bobbob to pay for the alleged contravention is \$4,440,000.

Applying for more time to pay the amount payable under this notice

12. ASIC may at its discretion, extend the time to pay the amount payable under this notice if ASIC is satisfied that it is appropriate to do so.
13. If Bobbob wishes to apply for an extension of time to pay the amount specified in this notice, Bobbob must do so in writing within 28 days after the day the notice is issued (see paragraph 20).

Applying to pay the amount payable under the notice by instalment

14. ASIC may at its discretion, make an arrangement for Bobbob to pay the amount payable by instalments if ASIC is satisfied that it is appropriate to do so.

15. If Bobbob wishes to apply for an arrangement to pay the amount payable under the infringement notice by instalments, Bobbob must do so in writing within 28 days after the day the notice is issued (see paragraph 20).

Applying to have this notice withdrawn

16. Within 28 days after the day on which this notice is given, Bobbob may apply to have this notice withdrawn by making written representations to ASIC (see paragraph 20).

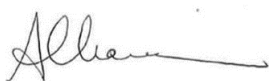
Withdrawal of this notice

17. ASIC may at its discretion, by written notice given to Bobbob, withdraw this notice if ASIC is satisfied that it is appropriate to do so, whether or not Bobbob has applied to have this notice withdrawn (**withdrawal notice**).
18. If the withdrawal notice is given after Bobbob has paid the amount specified in this notice, ASIC will refund to Bobbob the amount paid under the notice.
19. If this notice is withdrawn, then Bobbob may be prosecuted in a court, or proceedings seeking a pecuniary penalty order may be brought, in relation to the alleged contravention of the infringement notice provision.

Requirements for applications

20. An application to have this notice withdrawn, for more time to pay the amount payable under this notice or to pay by instalments:
- (a) must be in writing;
 - (b) must include the unique identification code set out at the top of this notice;
 - (c) must include Bobbob's reasons for making the application; and
 - (d) may be made by forwarding Bobbob's application to ASIC at the address in paragraph 21.
21. Bobbob may contact ASIC in relation to this notice by contacting:

Molly Choucair
Australian Securities and Investments Commission
GPO Box 9827
BRISBANE QLD 4000
or by email: ACLInfringementNotices@asic.gov.au



Molly (Amal) Choucair
as a delegate of the Australian Securities and Investments Commission