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## Scams Prevention Framework codes and rules exposure draft

Thank you for the opportunity to make a submission on the exposure draft code and rules for the Scam Prevention Framework.

National Seniors Australia (NSA) is the leading independent advocacy organisation for older Australians. Through our research and advocacy activities, NSA works to improve the wellbeing of all older Australians, including self-funded retirees, pensioners, part-pensioners, veterans, and carers.

Seniors are concerned by the prevalence of scams, want to know how to best avoid losing money and want strong protections to prevent fraud from occurring and redress if it does occur.

The sheer prevalence of scams, assisted by changing technology, combined with lower levels of digital literacy among seniors and the vulnerability of specific cohorts within the population means that we must encourage financial institutions to do more to protect their customers.

While we welcome the Scams Prevention Framework in principle, we are concerned by the limitations in practice. In particular, the \$3,000 limit on automatic reimbursement is far too low – this will exclude many of the types of scams that impact seniors and will not encourage the banks, telecommunications companies and digital platforms included in the Framework to do more to prevent fraudulent transactions.

**Given the UK threshold is £85,000 (\$161,000 AUD), NSA considers the \$3,000 limit for automatic reimbursement as far too low. We call on the government to reconsider this important protection.**

Yours Sincerely



**Chris Grice**  
Chief Executive Officer

Setting the level for automatic reimbursement of scam victims – for “verified scam losses” – at \$3,000 is far too low. This amount is significantly lower than applying in a similar scheme in the UK. Since October 2024, the UK has reimbursement for fraud by bank transfer of up to £85,000 (\$161,000 AUD). This level was set to cover more than 99% of claims.<sup>1</sup>

This UK threshold is similar to the maximum compensation allowed for under the Australian Compensation Scheme of Last Resort (CSLR) of \$150,000.<sup>2</sup> The Financial Claims Scheme, protecting bank deposits, is higher again at \$250,000.<sup>3</sup>

It is unclear based on publicly available information how the government arrived at the \$3,000 threshold, other than the internal dispute resolution paper saying: “The majority of scam complaints lodged in Australia involve losses under \$3,000, despite accounting for a small fraction of total scam losses.”

The Treasury impact analysis for the Scams Prevention Framework says that “in the 29,000 reports [in 2023] to ScamWatch involving losses to a scam, the average loss was \$16,000 and the median was \$500”.<sup>4</sup> Our analysis of the ScamWatch data<sup>5</sup> indicates that if set at the same 99% level as the UK system, this would require a threshold of almost \$70,000. Though ScamWatch represents only a portion of the reported scams.<sup>6</sup>

The Assistant Treasurer and Minister for Financial Services Daniel Mulino said that the “...Government believes that scam victims with verified losses below \$3,000 be automatically reimbursed to support quick resolution and minimise the cost of investigating complaints”.<sup>7</sup>

We are supportive of prompt resolutions, such as those required by the UK scheme. However, with many of the claims likely to exceed the \$3,000 limit, we question whether such a low threshold is in the best interest of the victims of scams (and regulators, banks, and other impacted industries). Setting an appropriately high threshold is an important incentive for the businesses included in the Framework to take scam prevention seriously.

Restricting the threshold for automatic reimbursement is likely to particularly impact seniors. Also based on the ScamWatch data, people age 65 and over have the highest average loss to scams.<sup>8</sup> They are targets because they have savings and lower levels of digital literacy.

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<sup>1</sup> [APP fraud reimbursement protections | Payment Systems Regulator](#)

<sup>2</sup> [Compensation Scheme of Last Resort | Australian Financial Complaints Authority \(AFCA\)](#)

<sup>3</sup> [Financial Claims Scheme: Banks, building societies and credit unions | APRA](#)

<sup>4</sup> [Impact Analysis Scams Prevention Framework October 2024 | The Treasury](#)

<sup>5</sup> [Scam statistics | ScamWatch](#)

<sup>6</sup> [NASC Targeting Scams Report - March 2026 | ACCC](#)

<sup>7</sup> [Albanese Government steps up industry protections to stop scams | Treasury Ministers](#)

Such a low threshold would also restrict reimbursement for the types of scams with high average losses, many of which particularly impact seniors, including the following and especially the top three:

- **Investment scams**
- **Dating and romance scams**
- **Relationship scams**
- Money recovery scams
- Pyramid scheme scams
- Job and employment scams

It is further concerning that this requirement will not be set in legislation or regulation, but rather “Ministerial Guidance will make it clear that entities should reimburse consumers for scam losses under \$3,000”. Given the number of different pieces of legislation and regulations involved in setting up the Scams Prevention Framework why is this important aspect is being left to the guidance?

We already hear from seniors who have concerning interactions with banks seeking to enforce their Know-Your-Customer obligations under Anti-Money Laundering/Counter-Terrorism Financing (AML/CTF) obligations. Often consumers find these new requests for additional information confronting and confusing.

We encourage the implementation of the Scams Prevention Framework to be implemented in a more consumer-friendly way.

Seniors who may be at risk of becoming victims of scams need to be supported to understand how to avoid being scammed before this takes place, not be denied service without explanation.

**We also encourage Treasury to consider a public education campaign on the Scams Prevention Framework so that people understand their rights and the limitations of the Framework.**

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<sup>8</sup> Such analysis is limited because the ScamWatch data includes a significant proportion of reports with an ‘unspecified’ age.