

## INVESTIGATION REPORT

<b>File no.</b>	ACMA2020/482-4
<b>Carriage Service Provider</b>	Medion Australia Pty Ltd ACN 106 611 330
<b>Relevant legislation and standard</b>	<i>Telecommunications Act 1997</i> Telecommunications (Mobile Number Pre-Porting Additional Identity Verification) Industry Standard 2020
<b>Date</b>	25 March 2021

### Findings

- The Australian Communications and Media Authority (the ACMA) finds that Medion Australia Pty Ltd ACN 106 611 330 (Medion) has contravened subsection 8(5) of the Telecommunications (Mobile Number Pre-Porting Additional Identity Verification) Industry Standard 2020 (the Standard) 57 times because:
  - > between 2 June and 27 July 2020, as a mobile carriage service provider (CSP), it proceeded with a mobile service number port on 57 occasions without first using one of the additional identity verification processes set out in subsection 8(2) or 8(3) of the Standard.
- As Medion has not complied with the obligation noted at paragraph 1 (above) it has also contravened subsection 128(1) of the *Telecommunications Act 1997* (the Act), which is a civil penalty provision, 57 times because it did not comply with the Standard which applies to it as a mobile CSP.

### Background

- The purpose of the Standard is to prevent the unauthorised porting of mobile service numbers and reduce harm to customers arising from the unauthorised porting of mobile service numbers.
- The Standard was made by the ACMA on 27 February 2020 and came into effect on 30 April 2020.
- Section 4 of the Standard provides, for the purposes of subsection 125AA(1) of the Act, that the Standard applies to:
  - > the section of the telecommunications industry consisting of mobile CSPs who supply or arrange for the supply of public mobile telecommunications services; and
  - > every port of a mobile service number.
- Under subsection 128(1) of the Act, if an industry standard that applies to participants in a particular section of the telecommunications industry is registered under Part 6 of the Act, then each participant in that section of the industry must comply with the standard.
- Medion supplies mobile carriage services to the public and is therefore a mobile CSP for the purposes of the Standard.
- The Standard requires that the gaining CSP, prior to initiating a port of a mobile service number, use additional identity verification processes to confirm that the person requesting a port:
  - > is the rights of use holder (or an authorised representative) of the mobile service number to be ported; and
  - > has access to a mobile device associated with that mobile service number.
- The ACMA commenced an investigation into Medion's compliance with the Standard following it receiving information which led the ACMA to suspect Medion may have contravened its obligations

under the Standard.

## Contraventions of the Standard

### *Additional identity verification processes*

13. Under subsection 8(5) of the Standard, a mobile CSP must not proceed with a mobile service number port unless one of the additional identity verification processes in subsection 8(2) or 8(3) has been used by the gaining CSP.
14. Subsection 8(2) requires a gaining CSP to use at least one additional identity verification process specified in the Standard to confirm that the person requesting a port is the rights of use holder of the mobile service number to be ported.
15. Subsection 8(3) requires that where the gaining CSP is unable to confirm that the requesting person is the rights of use holder of the number to be ported through one of the processes set out in subsection 8(2), the gaining CSP may undertake an identity verification using specified documents via the process described in Schedule 1 to the Standard or using a government online verification service.
16. Medion advised it implemented additional identity verification processes prior to the Standard coming into effect. The relevant period of the ACMA's investigation was 1 June 2020 to 6 October 2020.

### *Use of a unique verification code*

17. Medion provided information that showed, in relation to 53 port requests, it had used an additional identity verification process described in paragraph 8(2)(b) of the Standard (a unique verification code) in relation to each of the 53 port requests.
18. However, as a result of third-party bad actors exploiting a bug in its system, verification processes were circumvented which resulted in the unique verification code in each case being sent to a mobile service number that was not the number that was being ported.
19. As this is contrary to the requirement of paragraph 8(2)(b)(i) of the Standard that the unique verification code be sent by the gaining CSP to the mobile service number which is to be ported, and in the absence of any other of the verification processes in subsections 8(2) or 8(3) being used, the ACMA finds Medion contravened subsection 8(5) of the Standard in relation to these 53 ports. These contraventions occurred between 15 June and 29 June 2020 and are set out in **Attachment A**.

### *Identity verification using category A and/or category B identity documents*

20. Medion provided information that showed, in relation to four requests to port a mobile service number, it used a document-based identity process referred to in paragraph 8(3)(a) of the Standard, but did not sight the required number of category A or category B documents identifying the customer.
21. In relation to the four port requests, Medion provided evidence that it had attempted one of the processes set out at subsection 8(2) but was unable to confirm that the requesting person was the rights of use holder of the mobile service number to be ported. Medion was consequently entitled to rely on subsection 8(3) of the Standard and use one of the identity verification process described in paragraph 8(3).
22. Information provided by Medion showed that it attempted to comply with paragraph 8(3) of the Standard. That information also showed that it only sighted one category A document and one category B document to verify that the requesting person was the rights of use holder of the mobile service number to be ported in relation to the four port requests, rather than two category A documents, or one category A document and two category B documents (clause 3 of Schedule 1 to the Standard sets out the relevant process and documents).

**ATTACHMENT B**

23. By proceeding with the four port requests without meeting the document sighting requirements of paragraph 8(3)(a), Medion contravened subsection 8(5) of the Standard on four occasions between 2 June 2020 and 27 July 2020. These contraventions are set out in **Attachment B**.

**Contraventions of the Act**

24. Under subsection 128(1) of the Act, if an industry standard that applies to participants in a particular section of the telecommunications industry then each participant in that section of the industry must comply with the standard.
25. Medion supplies mobile carriage services to the public and is therefore a mobile CSP for the purposes of the Standard.
26. On this basis the ACMA finds Medion has contravened subsection 128(1) of the Act on 57 occasions.



ATTACHMENT B

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