

Final investigation report

| Summary | |
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| Entity | Sinch Australia Pty Ltd |
| Type of service | Carriage service provider |
| Relevant code | Industry code C661:2002 Reducing Scam Calls and Scam SMS |
| Findings | Breach of Sections 5.2.1 and 5.2.2 |
| Date | 02 March 2023 |

Findings

The Australian Communications and Media Authority (the **ACMA**) has found that Sinch Australia Pty Ltd (**Sinch**) has contravened clauses 5.2.1 and 5.2.2 of the Industry Code C661:2022 Reducing Scam Calls and Scam SMS (the **Code**).

Reasons

1. The ACMA's findings are informed by ACMA analysis of traceback emails made by carriers and carriage service providers (**C/CSPs**) under the Code, as well as information and documents obtained from Sinch on:
 - a. 20 December 2022, in response to a notice given to it by the ACMA under section 521 of the *Telecommunications Act 1997* dated 15 November 2022
 - b. 16 February 2023, in response to the ACMA's preliminary findings.

Relevant Background

2. 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 other obligations, the code requires C/CSPs to:
 - a. not originate short message (**SMs**) on their networks where the A-Party does not hold rights of use (**ROU**) to the number
 - b. not originate SM traffic on their networks using Alphanumeric Sender IDs (**Alpha IDs**) without taking steps to confirm that the A-Party has a valid use case for the Alpha IDs.

Compliance with clause 5.2.1 – Improving Number Accuracy

4. Clause 5.2.1 states:

Originating C/CSPs must prevent carriage of SMS where the A-Party does not hold Rights of Use to the Number.

Table 1: Conditions for originating SMS using numbers

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| <p>Is Sinch a CSP?</p> | <p>Yes.</p> <p>Sinch is an SMS Aggregator and for commercial reward, has arranged for supply of listed carriage services, namely short message services (SMS), by another CSP, to its customers.</p> <p>As such, Sinch is a CSP as defined in the Code as it is a CSP intermediary as defined at section 87(5) of the Act.</p> <p>Accordingly, Sinch must comply with clause 5.2.1 of the Code.</p> |
| <p>Does Sinch enable carriage of SMS on its telecommunications network using numbers?</p> | <p>Yes.</p> <p>Information obtained from Sinch indicates that it enables its A-Party customers to use numbers to send SMS.</p> |
| <p>Does Sinch have processes in place to verify A-Party customers hold ROU to a number used to send a SMS.</p> | <p>No.</p> <p>Information obtained from Sinch indicates that it does not have processes in place to confirm its A-Party customers hold ROU to a number used to send SMS.</p> |
| <p>Did Sinch prevent carriage of SMS where the A-Party did not hold ROU to the number?</p> | <p>No.</p> <p>Information obtained from Sinch indicates that during October 2022 it sent at least 156 SMS from numbers which were not legitimate numbers issued to an A-Party end user whether in Australia or another jurisdiction.</p> <p>As such, A-Party customers did not hold (nor could they have held) ROU to these numbers.</p> |

5. Accordingly, the ACMA finds that, for the period 12 July 2022 to 16 February 2023, Sinch did not comply with clause 5.2.1 of the Code on at least 156 specific occasions.

Compliance with clause 5.2.2 – Improving Number and Alpha ID Accuracy

6. 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.*

7. 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.
8. To determine Sinch’s compliance with this clause, the ACMA has addressed the questions set out in Table 2 below.

Table 2: Conditions for originating SMS using Alpha ID

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| Is Sinch a CSP? | Yes. See Table 1 above. Accordingly, Sinch must comply with clause 5.2.2 of the Code. |
| Has Sinch originated SMS on its telecommunications network using Alpha IDs where it does not present as a number? | Yes. Information obtained from Sinch indicates that it allowed its customers to use Alpha IDs to send SMS on its telecommunications network during the period between 12 July 2022 and 17 February 2023. |
| Was Sinch provided evidence by the A-Party confirming that the A-Party had a valid use case for the Alpha ID? | No. Information obtained from Sinch indicates that for the period 12 July 2022 to 31 January 2023, it did not obtain or otherwise receive evidence from A-Party customers confirming that they had a valid use case to use an Alpha ID. Information obtained by the ACMA from traceback emails made by C/CSPs under the Code indicates that between 16 August 2022 and 29 September 2022, Sinch originated suspected scam SMS using an Alpha ID where it had not received evidence of a valid use case from its A-Party customer on at least 14,291 occasions. |

9. Accordingly, the ACMA finds that, for the period 12 July 2022 to 31 January 2023, Sinch did not comply with clause 5.2.2 of the Code on at least 14,291 occasions.

Conclusion

10. The ACMA finds that Sinch did not comply with clauses 5.2.1 and 5.2.2 of the Code.