

# Final investigation report

Summary	
<b>Entity</b>	Known Pty Ltd
<b>Type of service</b>	Carriage service provider
<b>Relevant code</b>	Industry code C661:2022 Reducing Scam Calls and Scam SMS
<b>Findings</b>	Breach of clauses 5.2.2 and 6.1.1(b)
<b>Date</b>	4 April 2023

## Findings

The Australian Communications and Media Authority (the **ACMA**) has found that Known Pty Ltd (**Known**) has contravened clauses 5.2.2 and 6.1.1(b) of the Industry Code C661:2022 Reducing Scam Calls and Scam SMS (the **Code**).

### Reasons

- The ACMA's findings are informed by ACMA analysis of traceback emails made by carriers and carriage service providers (**C/CSPs**) under the Code and information and documents obtained from Known on:
  - 19 December 2022, under statutory notice given under section 521 of the *Telecommunications Act 1997* (the Act)
  - 8 February 2023, in response to a request for additional information
  - 17 March 2023, in response to the ACMA preliminary findings.

### Relevant Background

- 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.
- Among other obligations, the code places obligations on C/CSPs:
  - not to originate short message (**SM**) traffic using Alphanumeric Sender IDs (**Alpha IDs**) without taking steps to confirm that the A-Party has a valid use case for the Alpha ID
  - report to the ACMA quarterly on the number of scam SMS blocked.

### Compliance with clause 5.2.2 – Improving Alphanumeric Sender ID Accuracy

- 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.*

5. To determine Known's compliance, the ACMA has addressed the questions set out in Table 1 below.

**Table 1: Conditions for originating SMS using Alpha ID**

<p>Is Known a CSP?</p>	<p>Yes.</p> <p>Known is an SMS Aggregator and, for commercial reward, has arranged for supply of listed carriage services, namely short message services (<b>SMS</b>), by another CSP, to its customers.</p> <p>As such, Known is a CSP, as defined in the Code and as defined at section 87(5) of the Act.</p> <p>Accordingly, Known must comply with clause 5.2.2 of the Code.</p>
<p>Has Known originated SMS on its telecommunications network using Alpha IDs where it does not present as a number?</p>	<p>Yes.</p> <p>Information obtained from Known indicates that it allows A-Parties to send SMS using Alpha IDs.</p>
<p>Was Known provided evidence by A-Parties confirming that the A-Parties had a valid use case for the Alphanumeric Sender ID?</p>	<p>Yes, however, not in certain circumstances.</p> <p>Information obtained from Known indicates that it verifies account details and the valid use of Alpha IDs during an account validation process. This process involves Known staff conducting specific manual checks.</p> <p>Information obtained from Known also indicates that prior to the above process being completed, and the account and Alpha ID being validated, A-Parties can send 10 SMS per day (messages may be split across 2 SMS) using free trial credits. A-Parties are not prohibited from using Alpha IDs that are unvalidated during this trial period.</p> <p>Information obtained from Known indicates that on 2, 3, 4, 6, 7, 11, 12, 13, 16, 17, 18, 27, 28, 30, 31 October 2022, it originated at least 108 scam SMS sent from an Alpha ID without obtaining evidence of a valid use case from the A-Party customer. These SMS were sent using the Alpha IDs of well-known financial institutions, telcos, couriers, ride share and ticketing companies.</p> <p>Known has stated that the A-Party accounts were blocked after the above SMS were sent.</p>

6. Accordingly, the ACMA finds that, on 2, 3, 4, 6, 7, 11, 12, 13, 16, 17, 18, 27, 28, 30, 31 October 2022, Known did not comply with clause 5.2.2 of the Code on at least 108 occasions and that it is reasonably likely that additional contraventions occurred across the period 12 July 2022 to 15 November 2022.

**Compliance with clause 6.1.1(b) – Reporting**

7. Clause 6.1.1(b) of the Code states:

*C/CSPs must, within 20 Business Days of the end of each calendar quarter, report to the ACMA:  
(b) For Scam SMS, in the format and detail specified in Appendix E.*

8. To determine Known's compliance, the ACMA has addressed the questions set out in Table 2 below.



**Table 2: Reporting obligations**

Is Known a CSP?	Yes. See Table 1 above.  Accordingly, Known must comply with clause 6.1.1(b) of the Code.
Did Known, within 20 Business Days of the July to September calendar quarter, report to the ACMA the number of scam SMS it blocked.	The ACMA did not receive reports from Known on the number of scam SMS blocked for the July to September 2022 or the October to December 2022 calendar quarters.

9. Accordingly, the ACMA finds that Known did not comply with clause 6.1.1(b) of the Code on 2 occasions.

**Conclusion**

10. The ACMA finds that Known did not comply with clauses 5.2.2 and 6.1.1(b) of the Code.