EDR Response Guide – Scams – authorised transactions

This guide has been prepared to assist financial firms in preparing a quality external dispute resolution (EDR) response for complaints about a chargeback by a complainant. This is a **guide only**.

It is important to note the following:

* All issues raised in a complaint should be addressed. If there are multiple issues, please refer to the additional EDR response templates available or consider addressing them in a separate section as it is important that all issues are addressed.
* This is your EDR response. As such it is to be sent to both AFCA and the complainant. It is to the benefit of all parties for the complainant to understand the reason for your position.
* AFCA will generally seek more information if a complaint does not resolve at Registration & Referral. AFCA still expects a response to any subsequent requests for information.

This guide may change over the time to reflect any feedback.

To ensure a comprehensive response for complainant chargeback complaints, an EDR response should include the sections outlined below.

## Complaint details

* Name of the complainant(s): [consumer or business name]
* Name of the financial firm:
* Financial firm reference:
* AFCA reference:

## Standard information request – scam involving authorised transactions

This information request applies to cases where the complainant says they have fallen victim to a scam but does not dispute making or otherwise authorising the transactions. Common types of authorised scam complaints may include investment, romance, buyer/seller and business email compromise scams.

1. Please confirm the bank’s understanding of the complaint and the bank’s position on the issues raised.
2. For each transaction the complainant disputes, please provide a complete copy of the transaction logs setting out the:
	* transaction date, value and name of the recipient
	* transaction method (e.g. internet banking, BPay, card payment, etc).
3. If the disputed transaction was completed online, please provide a copy of any online internet banking warning that would have been visible before the disputed transaction was made.
4. If the disputed transaction was made in branch, please provide a copy of the payment instruction the complainant would have completed at the time the disputed transaction was made.
5. When did the complainant first contact the bank about the scam? Please provide supporting information.
6. Please provide copies of all your supporting documentation, including:
	* account statements showing all disputed transactions
	* all correspondence, contact notes, diary notes and call recordings with the complainant in relation to the disputed transactions
	* relevant terms and conditions of the account
	* the bank’s policy/ies relating to scams, a transaction log detailing activity on the complainant’s account for the period the transactions took place
	* any responses to the complainant.
7. Did the complainant have any interactions with the bank at the time the transactions occurred, including over the phone or in branch?
	* For any phone interactions, please provide a copy of the call recording(s)
	* For any branch interactions, please provide a statement from the branch manager and/or any staff members who dealt with the complainant during their visit to the branch setting out their recollection of the interaction.
8. When the complainant made the disputed transactions, did they receive any alerts via SMS or internet banking warning them about the risks associated with scams? If so, please provide details.
9. The complainant says the bank should have been aware they were being scammed and acted to prevent the transactions. Please comment on this and provide any information to support the bank’s position.
10. Did the bank’s internal fraud monitoring system trigger and/or alert at the time of (or shortly after) the disputed transactions? If yes, please explain why this occurred and how the bank responded. Does the bank consider its response to be reasonable? If yes, please explain why.
11. Did the bank receive a warning from the Australian Securities and Investments Commission (ASIC) or AUSTRAC, alerting it that:
	* in its view, the recipient was a scam
	* recommending the bank establish a process to block transfers to the recipient, and
	* recommending the bank identify customers that may have transferred funds to the recipient, and to tell them of ASIC’s views that the entity is part of a scam?
12. If yes, on what date was it received? Provide a copy of the notice.
13. If no, which team or department within the bank would ordinarily receive such notices? Please confirm that team or department has confirmed no such notice was received.
14. A chronology of events, detailing the bank’s efforts to recall the funds (including follow up), including all responses and documents received from the receiving bank. Did the receiving bank confirm the funds were withdrawn in their entirety? If so, when?
15. If any of the disputed transactions were card transactions, please provide information to show how the bank met its chargeback obligations under the [**Banking Code of Practice**](https://www.ausbanking.org.au/banking-code/) or [**Customer Owned Banking Associate Code of Practice**](https://www.customerownedbanking.asn.au/how-it-works/code-of-practice):
	* what chargebacks were attempted
	* if no chargeback attempts were raised, please explain why?
	* if chargebacks were raised, what chargeback code was used and for what reason?
	* provide a copy of the bank’s complete chargeback file and a copy of all documentation showing its chargeback attempts
	* outline the chargeback reason for the transactions in reference to the scheme rules. Copy of all correspondence sent to and received from the institution that received the disputed transaction(s).
* Is the bank willing to make any offers in resolution of this complaint? If yes, please provide details of the bank’s offer.
1. Any other information you would like AFCA to consider.
	* AFCA has published a [Chargebacks Factsheet](https://www.afca.org.au/about-afca/publications/factsheet-chargebacks) which provides more information about chargeback obligations.

## Additional information requested for information/documents subject to a non-exchange request

Generally, AFCA cannot rely upon information when reaching a decision that has not been shared with the other party(s) to a complaint, unless special circumstances apply. This is in line with sections A.10.4 and A.10.5 of our Rules, which you can find [**here**](https://www.afca.org.au/about-afca/rules-and-guidelines).

For us to assess whether special circumstances apply, please provide the following information in relation to any information the bank requests not to be exchanged:

1. Which part(s), of the document(s) are you concerned about? Please be specific.
2. What are the reasons for your concern? Where possible, provide supporting information.
3. Why should AFCA take the information into account without exchanging it? Explain why the information is significant.
4. Suggest ways in which you might be able to provide the information in an alternative format so that the other party can see and respond to it. For example, you may be able to block out a witness’s name and details, but still leave the majority of the information intact.

## Jurisdictional issues?

Include the details of any jurisdictional issues the financial firm wishes to raise. Ensure you refer to the AFCA Operational Guidelines and any relevant approach documents.

Full details of the section of the AFCA Rules must be included to ensure that AFCA and the complainant understand the jurisdictional issue(s) being raised.

## Other issues raised?

If other issues are raised, we offer a range of resources in the member resources section of the Secure Services portal. These include other EDR response guides, specific complaint topic guides and the Complaint Information Documentation guide.