

26 June 2024

Joint Select Committee on Social Media and Australian Society  
PO Box 6100  
Parliament House  
Canberra ACT 2600

Sent by email to [socialmedia.joint@aph.gov.au](mailto:socialmedia.joint@aph.gov.au)

Dear Joint Select Committee on Social Media and Australian Society

### TIO submission on the impacts of social media on Australian society

The Telecommunications Industry Ombudsman (TIO) offers information to assist the Joint Select Committee on Social Media and Australian Society (the Committee).

Our role is to help people, small businesses and not-for-profit organisations (consumers) resolve their phone and internet disputes. We operate as an alternative to a court or tribunal. Our dispute resolution services are free, fair, independent and accessible and comply with the Government Benchmarks for Industry-Based Customer Dispute Resolution.<sup>1</sup> Telecommunications service providers (including carriers and eligible service providers) are required by *Telecommunications (Consumer Protections and Service Standards) Act 1999* (Cth) to be members and fund the dispute resolution scheme operated by the TIO.

When the TIO was established in the 1990s, the complaints we handled reflected the way Australian consumers communicated, which was through fixed line telephone services. As communications changed, so did the TIO, with most of our complaints now relating to mobile and internet services.

In the 21<sup>st</sup> century we have seen further rapid changes in communications. Social media has become increasingly important for social and business connections. Despite the growing reliance on social media for communications, unlike with telecommunications, there is no external dispute resolution (EDR) scheme to help consumers resolve their complaints.

Our submission addresses subsection (e) of the Committee's Terms of Reference by highlighting the need for EDR for social media complaints to reduce harm to consumers, including scam complaints facilitated through social media.

## 1. EDR for social media complaints is needed to reduce consumer harm

Since 2019, the ACCC has called for the establishment of an independent EDR scheme for digital platform complaints.<sup>2</sup> While progress is being made on the establishment of voluntary internal dispute

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<sup>1</sup> The Treasury (March 2015) [Government Benchmarks for Industry-Based Customer Dispute Resolution](#), accessed 25 June 2024.

<sup>2</sup> ACCC (June 2019) [Digital Platforms Inquiry Final Report](#), accessed 25 June 2024.

resolution (IDR) processes for digital platforms,<sup>3</sup> there has been little progress regarding EDR for digital platforms, either through an existing or new scheme.

We have consistently supported the establishment of a Digital Platform Ombudsman, and, noting the convergence in telecommunications and digital platforms, have argued that we are best placed to take on this role.<sup>4</sup>

While complaints about social media are currently outside of our jurisdiction, we receive calls from consumers seeking help. Between 1 July 2021 to 19 April 2024, we received approximately 900 potential complaints from consumers about digital platforms, including social media companies.<sup>7</sup> The top five digital platforms we received potential complaints included Google, Facebook, Apple, Amazon and Kogan. Within these potential complaints, access issues were the most common issue raised, with consumers reporting issues with accessing or unlocking their accounts. Other common issues include faulty products sold through a digital platform, scams, and nuisance calls (see **Table 1**).

*Table 1: Out of jurisdiction enquiries from consumers about disputes with social media companies received by the TIO*

Scams or unsolicited calls
Incorrect information being displayed on online platforms
Faulty products sold through e-commerce platforms
Businesses disputing negative reviews or social media comments
Complaints about advertisements
Inappropriate or offensive content
Uncontactable or unresponsive customer service
Potential interferences with privacy
Difficulties accessing/unlocking accounts
Bans and blocks on accounts
Fees and charges, including charges for customer assistance.

## 2. A Digital Platform Ombudsman can help Australians who have been scammed through social media and help prevent scams

Scams in which contact occurred through phone calls, social media and email are responsible for the highest reported losses in Australia.<sup>5</sup> We see addressing scams at the communication source as an impactful tool when compared to other responsive or remedial strategies alone.

We see the future Digital Platform Ombudsman as having a key role in resolving individual social media scam complaints. Importantly, a Digital Platform Ombudsman can also utilise its systemic

<sup>3</sup> The Treasury (December 2023) [Government Response to ACCC Digital Platform Services Inquiry](#), accessed 25 June 2024.

<sup>4</sup> TIO (September 2019) [Submission to the Treasury's consultation on the final Digital Platforms Inquiry Report](#), and TIO (February 2023) [Submission to Treasury - digital platforms regulatory reform](#), accessed 25 June 2024.

<sup>5</sup> National Anti-Scam Centre (May 2024) [Quarterly update January to March 2024](#), accessed 25 June 2024.

investigation function and regulatory referral pathways to prevent future scams from occurring and minimising further consumer loss.

The prevention of complaints is a key feature of industry-based dispute resolution services, including the TIO. Our Terms of Reference (TOR) enables us to improve our members' systems, policies, and practices through the investigation of systemic issues. We identify these issues through the real-time analysis of complaints and then work closely with our members to resolve these systemic issues. Our TOR also allows us to refer systemic investigations to the ACMA and/or the ACCC in situations where a member has not sufficiently addressed a systemic issue, or the member's conduct would be relevant to a compliance and enforcement role.

As an example, where a consumer is a victim of a scam through an advertisement on social media, a Digital Platform Ombudsman could work to resolve the harm to the consumer, but as part of the resolution could proactively address the potential systemic issue of the same advertisement affecting other consumers. This may involve ensuring that the social media platform takes down the scam advertisement, and similar advertisements that may appear in its place. This can reduce the number of consumers exposed to the scam, reducing the number of consumers at risk of experiencing financial detriment as a result.

### 3. TIO is the natural home for complaints about the communications industry

Many digital platforms supply products such as online private messaging services, voice calls, internet search engine services, social media services, and digital content aggregation platform services. These services are closely related, functionally equivalent or substitutes for a standard telephone service, a mobile service, or an internet access service (being the three carriage services where supply requires the provider to join the TIO Scheme). As such, consumers assume that the TIO is where they should go to resolve complaints about these services. For this reason, the TIO is the natural home for complaints about the changing communications industry.

We hope this information is of assistance to the Committee. If you have any questions relating to our submission, please do not hesitate to contact me.

Yours sincerely,



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Telecommunications Industry Ombudsman