

AUSTRALIAN PAYMENTS FORUM COMMUNIQUE¹

Monday, 29 March 2010

Australian Payments Forum calls for financial fraud risk centre of excellence

The fourth meeting of the Australian Payments Forum (formerly the Card Payments Forum) was held in Sydney at the Intercontinental Hotel on Monday, 29 March 2010, chaired by Professor Ian Harper. Sixty-six participants from twenty-eight organisations including merchants, financial institutions, card schemes and industry associations met specifically to consider a collaborative approach to fraud prevention across the payments industry.

Representatives of the Reserve Bank of Australia and Treasury were also in attendance as observers.

Participants heard from:

- Dr Russell Smith, Principal Criminologist from the Australian Institute of Criminology;
- Ms Kalyani Pillay, CEO of the South African Banking Risk Information Centre; and
- Mr Alastair MacGibbon, Managing Partner of the Surete Group.

Dr Smith opened proceedings by providing an overview of global trends in fraud and future challenges for the industry. Ms Pillay then spoke about South Africa's banking industry's response to this challenge through the formation of the South African Banking Risk Information Centre, and Mr MacGibbon then provided his vision for industry collaboration in Australia in the form of a central data sharing body.

In discussion, participants noted the upward trend of domestic fraud figures and the increasing threat of fraud in the global environment. While acknowledging the number of excellent initiatives currently being undertaken by the industry, participants agreed that there was a need for greater central coordination across the industry as a whole and with law enforcement agencies to combat this threat.

Participants discussed the development of a financial fraud risk centre of excellence, overseen by key stakeholders with relevant expertise, which could enhance current fraud prevention activities through the collection and dissemination of data, research and other material relating to fraud and fraud prevention.

This centre could initially focus on improving strategic information sharing amongst participants across the Australian payments system. Given current card fraud levels, it would be anticipated that this area in particular would be a primary target of the centre. Examples of strategic information would include information and analysis on current global fraud threats, typologies of criminal activity in payments systems, better industry liaison with law enforcement, alerting participants to developing threats and identifying possible countermeasures.

¹ The Australian Payments Forum has been established to promote industry-based and non-regulatory initiatives in Australia as a means of enhancing efficiency, security and competition in payments with minimal regulatory overlay. Participants include senior representatives from financial institutions, card schemes, merchants, consumer groups and industry representative bodies.

The Australian Banker's Association (ABA), Abacus Australian Mutuals and the Australian Payments Clearing Association (APCA) will jointly develop proposals for the scope, organisation and funding of such a body for consideration by the ABA Council and the Boards of Abacus and APCA.

Ian R. Harper
CHAIR