

**FUNDRAISING INSTITUTE AUSTRALIA**  
**INDUSTRY CODE DR C661:2022 REDUCING SCAM CALLS and SCAM SMS**  
**11 MARCH 2022**

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## About FIA

Fundraising Institute Australia (FIA) is Australia's national peak body representing professional fundraising in Australia. It has over 1200 members who are charities, NFPs, suppliers of fundraising services and fundraising professionals.

Most major registered charities are FIA members, accounting for more than 80 per cent of the nearly \$10.5<sup>1</sup> billion donated by Australians each year.

As the peak body for fundraising, FIA champions and facilitates best practice across the sector through our Code for ethical fundraising and through professional development and training.

We do this by:

- Setting best practice standards for professional fundraising;
- Administering a Code of ethical fundraising practice which is recognised and followed by both FIA members and most non-members engaged in the sector;
- Providing ongoing guidance to members on compliance with the Code and statutory regulation, including the APPs;
- Actively monitoring compliance with the Code by members and non-members;
- Providing professional development in best practice fundraising, including promoting awareness of the APPs; and
- Maintaining and making available a comprehensive set of resources to support professional fundraisers.

## Charity scams on the rise

FIA acknowledges that charity scams are on the rise, increasing nearly 70% since 2019, according to figures released for Scams Awareness Week, 17-21 August 2020, by the Australian Charities and Not-for-profits Commission. Key statistics from the ACNC show:

- 1 Jan – 31 Jul 2020 Scamwatch received 1081 reports of charity scams, with losses of over \$138,000.
- 1 Jan – 31 Jul 2019 Scamwatch received 646 reports of charity scams with losses of over \$277,000.
- The higher losses in 2019 were due to several reports of large individual losses. The highest individual loss for the first seven months in 2019 was \$50,000; so far in 2020 the highest loss is \$30,000.

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<sup>1</sup> <https://www.acnc.gov.au/tools/reports/australian-charities-report-2017>

- The substantial number of reports in 2020 is due to people reporting suspected bushfire charity scams. Fortunately, only small losses were associated with these scam reports.

FIA is particularly concerned about reports of scams during [emergency appeals](#), as sms is a highly effective and important tool for fundraising in emergencies.

FIA supports, in principle, measures by the telecommunications industry to reduce scam SMS.

FIA recommends that MMS be included in the scope of the revised code. According to FIA supplier members, who provide messaging services to the charitable fundraising sector, the use of MMS by charities has begun to increase as bandwidths have improved under the NBN, particularly in the past 12 months.

FIA recommends that Code participants be encouraged to include fundraising-sms users (FIA members) as part of the education effort (3.1 Education information about Scam Calls and Scam SMS) proposed under the revisions.

FIA recommends that better early warning systems be introduced to alert SMS users, including fundraisers, when scam activity has been identified on telecommunications networks by Code participants. In this way, fundraisers can avoid being mistaken for scammers by donors.

FIA is concerned that some of the indicators of identify scam SMS (Section 5 of the Code) may be accidentally triggered by legitimate fundraising SMS from FIA members or their suppliers/agencies. These may include:

- a high volume of messages to a large number of recipients;
- attempting to engage the donor to click on a URL for more information;
- attempting to engage the donor by eliciting a call or return SM to the charity; and
- attempting to obtain personal information as part of donor engagement.

FIA recommends that Code developers give consideration to the establishment of a “white list” for legitimate SMS users, including FIA members, so they can avoid being accidentally swept up in enforcement activities targeting SMS scams.

FIA seeks to be considered a stakeholder and consulted as part of the revised Code’s objective (1.4.1) to disrupt scam activity. FIA members have expressed concern that increased regulation by telecommunications service providers may create new barriers to the uptake of SMS fundraising by charities that have never tried this technique.

FIA has developed a Practice Note for use by its members (see Appendix 1). The Practice Note is designed to assist FIA members in conducting SMS Fundraising Activities within an ethical framework, whether the Fundraising is being done directly by the Member or through a contracted supplier. It is intended to be read in conjunction with the FIA Code (Appendix 2).

Registered charities enjoy special concessions that enable them to fundraise using SMS messages. These concessions have been granted to the sector in recognition of the public interest benefit of charitable fundraising activities.

## Appendix 1

### **SMS Practice Note**

This Practice Note is designed to assist FIA members in conducting SMS Fundraising Activities within an ethical framework, whether the Fundraising is being done directly by the Member or through a contracted Supplier. It is intended to be read in conjunction with the FIA Code.

Registered charities enjoy special concessions that enable them to fundraise using SMS messages. These concessions have been granted to the sector in recognition of the public benefit of charitable fundraising activities. It is important that fundraisers act responsibly in their exercise of these privileges.

The sending of SMS messages is regulated under the Spam Act 2003. Under this Act, SMS messages from registered charities are permitted, subject to certain conditions. Permitted messages should contain accurate information about the person or organisation that authorised the sending of the message and how to contact that person or organisation. For example, if your organisation gets a third party to send out messages on its behalf, these messages should clearly identify YOU as the Charitable Cause on whose behalf the message is being sent—the correct legal name of the Charitable Cause, and Australian Business Number, where applicable.

If these conditions are not met, the fundraising SMS message may be classified as spam and penalties assessed under the Spam Act.

#### **1. Registering Donors to Receive SMS Messages**

1.1 Members should make the registration process for receiving SMS Fundraising messages clear on all forms of relevant documentation (including websites).

1.2 All SMS Fundraising messages should include accurate information about how the recipient can contact the Member.

1.3 Donors should be informed (via terms and conditions on any Promotional material where the SMS short code is advertised) that a follow-up communication may be made after the donation. Members should also provide a URL link to full terms and conditions including privacy policy, opt out mechanism and help information.

1.4 Verifiable parental consent should be obtained before communicating via SMS with Children and expert legal advice should be sought beforehand.

#### **2. Following up with Donors**

2.1 Permission to contact a Donor for a specific purpose within a specific period defined in a Fundraising SMS message sent from the Member expires at the end of that period.

### **3. Providing an Opt-out from Future Appeals**

- 3.1 Each outbound message should provide a clear opportunity for the donor to opt out from further communication. For example, a STOP reply text should cancel all future SMS messages from the Member.
- 3.2 Reply by SMS should be an option for opting-out and be clear in all communications.
- 3.3 Members should use a simple opt-out message ('STOP' or 'UNSUB: 1-800-number')
- 3.4 Donors should be able to exercise their opt-out choice from any message, free of charge.

### **4. Maintaining a Suppression File**

- 4.1 Members or their Suppliers sending any SMS donor appeals should operate and maintain a suppression file, listing recipients who have indicated they do not wish to receive further donor appeals.
- 4.2 Where a supporter/donor requests not to receive donor appeals, Members should as soon as possible, suppress the recipient's data from their donor database. In all cases, the request should be complied with within five days from the individual sending the request to cease using the data for SMS marketing.
- 4.3 Where a suppression cannot take immediate effect, Members should inform recipients of this fact and explain they may receive further donor appeals for a short period whilst the request is processed.

### **5. Using Third Party SMS Suppliers**

- 5.1 It is the responsibility of the Member to ensure that any supplier providing SMS fundraising on behalf of the Member adheres to all relevant codes and legislative requirements.
- 5.2 Members should clearly and accurately identify the individual or organisation who authorised the sending of the message. For example, if the Member asks a third party to send out messages on its behalf, the message should clearly identify the organisation on whose behalf the message is being sent.

### **6. Competitions and Prize Draws**

- 6.1 In competitions and prize draws, Members should provide a clear and simple method of requesting any terms and conditions and publish the identity of the promoter within the SMS competition.
- 6.2 For competitions and prize draws, Members should provide a clear and simple method of accessing any terms and conditions and should publish the identity of the promoter, in addition to complying with all State regulations governing competitions.

### **7. Complying with Australian Laws**

- 7.1 Members should inform themselves about and follow Australian Privacy Principles, Spam Act, and Telecommunications Act requirements, in addition to any other legislation applicable to SMS fundraising.

## Appendix 2

[FIA Code](#)