



2 September 2024

Australian Competition and Consumer Commission
23 Marcus Clarke Street
Canberra ACT 2601
via email: digitalmonitoring@accc.gov.au

Dear Sir/Madam,

Digital platform small business dispute resolution

The Australian Small Business and Family Enterprise Ombudsman (ASBFEO) appreciates the opportunity to make a submission to the Australian Competition and Consumer Commission (ACCC) on the Digital Platform Services Inquiry (the Inquiry). The ASBFEO's submission aims to address issue two in the Inquiry, and both reiterates and provides an update to our May 2022 submission to the ACCC Digital Platform Services Inquiry Interim Report No.5.¹

Digital platforms have fundamentally changed the way in which Australian small businesses do business. Digital platforms are a valuable tool for small businesses to attract new customers, advertise and sell products and services, and build brand loyalty. They serve as single points of contact for businesses to reach a significant portion of the Australian and international markets, with many small and family businesses relying heavily on these platforms. Despite the benefits, we are aware of small business concerns arising through the increased use of, and dependence on, digital platforms.

A common issue affecting small businesses is loss of access to their social media account through cybercrime. Hackers may target small business accounts to exploit their public reach and trust as well as any payment credentials that have been set up, to pay for and disseminate fake advertisements designed to scam Australian consumers and social media users. While this is ongoing, the affected small business cannot resolve the issue with the social media platform because the platform's dispute-resolution process requires account access to be initiated.² These inadequacies in digital platforms' complaint pathways and dispute-resolution processes are causing significant harms to affected small businesses and the broader public.

As part of our assistance for small businesses that are hacked, we have developed extensive relationships with digital service providers, so that we can organise support for small businesses even when they are locked out of their accounts. However, this is the type of access that platforms should directly provide to their small business customers that encounter such issues.

We make the following recommendation to address these concerns.

¹ Australian Small Business and Family Enterprise Ombudsman (ASBFEO), *Submission to ACCC Digital Platform Services Inquiry*, ASBFEO, Australian Government, May 2022.

² See, for example, the difficulties that a Melbourne MMA gym business had in regaining access to its Facebook and Instagram accounts as reported by the ABC. Michael Aitkin, 'Hacked Facebook accounts leave businesses out of pocket as Ombudsman records spike in Meta complaints', ABC, 23 April 2024, accessed 16 August 2024.



Recommendation 1: Digital platform providers should implement clear, appropriate, and standardised procedures for timely small business dispute resolution.

It is crucial that clear, appropriate and standardised procedures are in place to facilitate a timely resolution for small business disputes with digital platforms. Disputes between small businesses and digital platforms are typically difficult, as digital platforms use automated systems as complaint handling mechanisms, often with no human escalation point.

The number of cases our office has seen involving a small business having problems with a digital platform has more than doubled since July 2022. In too many cases, when there is a problem, the digital platform providers require a time and resource-poor small business to navigate a most elaborate maze of dead-ends and blockages.

Small businesses watch helplessly as the financial and emotional damage occurs in real time with no ability to stop it. They lose customers and money where a credit card linked to these accounts is being used by the hacker or the hacker uses the account to access and harm other customers.

Sometimes investigation and resolution by platforms take months; and the situation of someone else having access and control of the small business owner's account during this time is devastating for their business and reputation.

Implementing adequate internal dispute-resolution processes and dedicated human contacts would enable small businesses to have their disputes handled efficiently and resume operating their businesses sooner.

In our May 2022 submission to the ACCC Digital Platform Services Inquiry Interim Report No.5, we recommended that digital platforms develop appropriate small business dispute resolution processes and provide escalation contact points.³ We acknowledge that the Australian Government has:

- supported in principle the ACCC's recommendation for digital platforms to be subject to 'mandatory internal dispute-resolution standards that ensure accessibility, timeliness, accountability, the ability to escalate to a human representative and transparency'
- called on the digital platform industry to develop voluntary internal dispute resolution standards by July 2024.⁴

Nonetheless, at the time of writing, our cases are evidencing that any movement in this regard is insufficient and does not appear to extend across all platforms.

We are recommending that digital platforms be required as a matter of urgency to improve and clearly outline their internal dispute resolution processes for small business. The requirement for adequate, timely and effective internal dispute-resolution processes should be supplemented by digital platforms promoting the ASBFEO as a source of external dispute resolution point for small and family businesses where internal dispute resolution and other processes are ineffective or unresponsive. The platforms should also publicly commit to working quickly and efficiently with ASBFEO processes. This would help reduce delays to small businesses regaining access to hacked

³ ASBFEO, *Submission to ACCC Digital Platform Services Inquiry*, ASBFEO, Australian Government, May 2022, accessed 16 August 2024

⁴ Australian Competition and Consumer Commission, *Digital platforms services inquiry: Interim report No. 5 – Regulatory reform*, ACCC, Australian Government, September 2022, p. 16; The Treasury, Government Response to ACCC Digital Platform Services Inquiry, The Treasury, Australian Government, pp. 2-3.



social media accounts and assist in disrupting scams and mitigating their harms to affected small businesses and the broader public.

If you require any further information, please do not hesitate to contact the ASBFEO Policy and Advocacy team via email at advocacy@asbfeo.gov.au.

Yours sincerely

The Hon Bruce Billson

Australian Small Business and Family Enterprise Ombudsman