

Improving small business experiences with digital platforms

Model practice and procedures

About this guide

This guide identifies opportunities to help improve the experiences of small businesses when engaging with digital platforms. By promoting best practices, it aims to ensure that small businesses can fully benefit from their engagement with digital platforms, unlocking opportunities for growth and innovation. This guide is also intended to inform future policy development in this area, including both industry-led initiatives and other supporting measures.

There are 850,000 small businesses operating across NSW, which comprise 97 per cent of all business in NSW, employing 1.8 million people. Small businesses increasingly rely on digital platforms and online marketplaces to buy, sell, advertise and communicate with their customers. Any change or disruption to business operations, such as a sudden suspension from a digital platform or service, can be a stressful experience for business owners, impacting on business continuity and growth.

The NSW Small Business Commission has received an increasing number of small business enquiries related to digital platforms. In some cases, we have been able to assist businesses in communicating with digital platforms or advocating for improvements where there are common issues or concerns.



While conducting operations on a digital platform or online marketplace, the most common issues small businesses face include:



Losing access to an account



Misunderstanding contract terms and conditions



Experiencing payment delays



Poor or no communication with platforms

What do we mean by 'digital platforms'?

When referring to 'digital platforms', this guide broadly refers to online services where users can share information, communicate, conduct business, or perform other activities. These platforms can range from marketplaces and payment systems to software and service providers, encompassing any online environment where small businesses engage to conduct or enhance their activities. Examples include social media networks, e-commerce sites, search engines, and online marketplaces.

A key consideration is the reliance small businesses may develop on platforms, particularly when they become integral to business continuity, generating revenue or accessing customers.

Who are we?

The NSW Small Business Commission works with government, industry groups and other stakeholders to make it easier for small businesses to operate. The Commission:

- Provides a central point of contact for small businesses to make complaints about their commercial dealings with other businesses and their dealings with government agencies,
- Facilitates the resolution of disputes involving small businesses through mediation and other appropriate forms of alternative dispute resolution,
- Encourages government agencies and larger businesses to enter productive working relationships with small businesses,
- Supports the fair treatment of small businesses.

The Commission offers services to those performing work through use of a digital platform where they are not otherwise considered an employee under relevant legislation. The Commission can provide information and assistance if small businesses are unable to resolve issues through other channels.



How do we work with digital platform providers to improve outcomes for small business?

Communication and customer support

The Commission can help facilitate more effective communication between digital platforms and users experiencing difficulties with platforms. The Commission is often contacted by small businesses experiencing challenges and we work with them to resolve their concerns. The Commission has established collaborative and constructive relationships with many digital platforms and can work with platforms to support positive customer experiences and resolution of disputes or other issues. The Commission takes a collaborative approach and works with digital platforms to achieve win-win outcomes.

Small business guidance

The Commission advises small businesses using digital platforms on common pitfalls to support positive user experiences. The Commission promotes awareness of good business practices when using a digital platform service, including familiarisation with key terms and conditions as well as knowing their rights and obligations.

Mediation and dispute resolution

The Commission provides a neutral [mediation service \(https://www.smallbusiness.nsw.gov.au/mediation/\)](https://www.smallbusiness.nsw.gov.au/mediation/) to assist digital platforms and businesses in resolving disputes efficiently and constructively, fostering fair and balanced outcomes for all parties.

Advocacy for best-practice approaches

The Commission promotes best-practice approaches to support positive interactions between digital platforms and small businesses. This includes encouraging fair dispute resolution procedures and raising awareness of terms and conditions that could disadvantage small businesses.

Working with us

We invite digital platforms to connect with us to support positive small business experiences. By working with us, we can establish protocols for providing timely assistance and referrals of enquiries and can support small businesses to build their capability when using a digital platform service.

[Contact us \(www.smallbusiness.nsw.gov.au/contact-us\)](http://www.smallbusiness.nsw.gov.au/contact-us) to find out more about how we can work together.



Customer support and dispute resolution

Many of the small businesses contacting the Commission about a digital platform do so because they are unable to resolve a complaint.

Digital platforms provide services to a vast range of users and operate under different business models. While there is no one-size fits all approach to resolving customer enquiries and complaints, digital platforms should ensure their services are compliant with Australian laws and in doing so, make available appropriate customer service channels and procedures to appropriately resolve issues or concerns.

Internal Dispute Resolution (IDR) mechanisms can help build confidence that disputes will be resolved in a fair manner. By implementing best practice IDR processes, platforms can avoid costs associated with escalation.

Best practice IDR processes are cost-free for complainants and focus on resolving disputes quickly where it is practicable to do so. They can be governed by policies and have appropriate escalation pathways in circumstances where they are unsuccessful in resolving a dispute.

IDR processes can be developed in accordance with Australian and international best practice principles. For more information, see:

- [ASIC's Regulatory Guide 271](#)
- [International Organization for Standardization \(ISO\) 10002:2018 -Quality management – Customer satisfaction – Guidelines for complaints handling in organizations](#)
- [Benchmarks for Industry-based Customer Dispute Resolution Schemes \(the CDR Benchmarks\)](#)
- [Treasury's Key Practices for Industry-based Customer Dispute Resolution](#)

CASE STUDY

Alex operates Coastal Promotions, a business that runs an annual music and food festival. Over the years, the festival has built a strong following on a social media platform, which Alex uses to engage fans, promote ticket sales through paid advertising and sell festival merchandise. The platform has become essential to the business's operations and success.

Unexpectedly, Alex loses access to the business's account without warning or explanation. Attempts to log in fail, and Alex is locked out of the platform. Without access, Alex cannot update fans, run advertising campaigns or manage merchandise sales.

Alex tries to contact the platform's customer support but finds that losing account access also prevents access to support tools. The sudden loss of access leaves Alex unable to communicate with the festival's audience or drive sales during a critical period. Business income starts to be impacted heavily and Alex is concerned for the future of the business.

Supporting small business users to comply with their obligations

Small businesses must comply with a range of legal obligations when supplying goods or services through or with the assistance of digital platforms. Digital platforms can support these small businesses to comply with Australian laws and requirements by providing tools and guidance to help them comply.

Australian Consumer Law and product safety regulations

- Consumer guarantees
- Product safety standards
- Prohibition on misleading and deceptive conduct
- Compliance with information standards, codes or other restrictions such as ticket onselling

Protections for 'employee like' workers and workers compensation

- Protections for 'employee-like' gig workers under *Fair Work Legislation Amendment (Closing Loopholes No. 2) Act 2024*
- Workers' compensation
- Workplace health and safety

Tax obligations

- GST
- Payroll tax (including contractor provisions)
- PAYG withholding
- BAS returns
- Other levies and charges

Licensing and industry-specific regulation

- Occupational licensing
- Financial services regulation, 'know your customer' procedures
- Insurance requirements



Supporting small business success

Digital platforms engage a variety of users including consumers, suppliers, advertisers and other stakeholders. Small businesses can fit into many of these categories and have different needs depending on how and why they use a digital platform service.



CASE STUDY

Tina operates a small marketing business, New Horizons, in regional New South Wales. Tina would like to explore market opportunities in metropolitan areas she is unable to reach through traditional channels.

Tina finds a digital platform service which is designed specifically for services firms. The digital platform claims it can guarantee ten sales leads each week. Encouraged by this promise, Tina signs up to a 12-month plan.

After a month of using the digital platform, Tina realises the service is not suitable for her business. Tina feels the service is not delivering on its promises as she has not received any new customers or leads.

Tina contacts the platform's customer support team and is initially directed to a general call centre, where staff explain they are unable to assist directly and refer her to another department. When she contacts the other department, she is sent back to the original call centre with no clear resolution in sight.

Each representative Tina speaks to explains they are not authorised to adjust her subscription or issue a refund. Tina then receives an automated email providing links to generic help articles but it does not address her specific complaints. Following this email, she is advised that her case has been closed.

Due to claims made about the nature of the service, Tina believes the platform provider has failed to meet its obligations under the Australian Consumer Law and is unsure what she can do.

Digital platforms can uplift small business experience to optimise their success by actively considering these needs and adapting their policies, processes and customer support to achieve positive outcomes.

Implementing clear and flexible policies allows platforms to resolve customer issues more effectively, fostering goodwill and reducing conflict while enhancing reputation and operational efficiency.

Small business friendly platforms:

- ✓ Understand the reliance small businesses have on their services and uphold accountability to these users.
- ✓ Provide timely support commensurate with the impacts that may occur if matters are left unresolved.
- ✓ Provide appropriately resourced customer support that recognises local rules, regulations and obligations.
- ✓ Have clear and transparent terms and conditions so that small businesses can make informed decisions about how they choose to engage with a platform.
- ✓ Embed controls, education and tools within the platform to support small business users to comply with their legal obligations
- ✓ Work collaboratively with small business advocacy bodies, including the NSW Small Business Commission, to help resolve disputes and achieve good customer outcomes.
- ✓ Have a business model powered by the merits of its service offering and that does not impose hidden costs on small businesses.

See our checklist of steps to optimise for small business.

Checklist to support small business experiences

This checklist has been developed to support high quality service levels for small businesses. The Commission advocates for digital platforms to consider the checklist when tailoring their services to meet the needs of small business users.

Information and awareness

- Are the terms, conditions, standards and policies of the platform clear and easy for small businesses to understand, including terms and conditions of any promotions offered?
- Does the platform engage with small business communities, including by offering relevant training materials and information on how they can get the most out of the service?
- Are guidelines and policies regarding product listings, pricing, shipping and customer communication clear for small businesses, particularly if refund or return rights exceed those required under Australian law?
- Are businesses aware of the consequences of violating platform policies such as account suspension or being deactivated?

Communication and dispute resolution

- Does the platform have feedback channels to enable two-way communication and dispute resolution with buyers and sellers?
- Does the platform engage with small business communities, including by offering relevant training materials and information on how they can get the most out of the service?
- Is there a way for small businesses to escalate their enquiries to human representatives able to consider more complex matters and escalate issues?
- Do small businesses have the opportunity to dispute or provide additional information prior to account deactivation?
- Does the platform have robust internal dispute resolution processes, particularly where disputes involve payments?
- Does the platform take responsibility for content published on the service and does it take steps to proactively minimise disinformation and misinformation, including false or misleading information such as fake reviews?
- Are small business users able to easily navigate circumstances where their business account is flagged and/or suspended for suspicious activity?
- Can small businesses contact the platform in circumstances where they have lost their account access?

Compliance with Australian laws and requirements

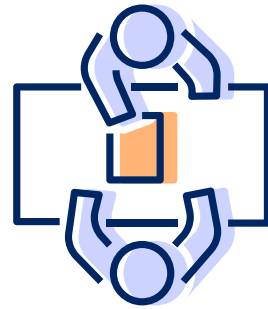
- Does the platform comply with obligations under the Australian Consumer Law, including protections for unfair contract terms, consumer guarantees and other consumer protections which are accessible to small businesses?
- Is the digital platform compliant with possible obligations under the Digital Labour Platform Deactivation Code and the Road Transport Industry Termination Code and related legislation?
- Does the platform support small business users to comply with their own obligations, including tax, workplace relations and workplace health and safety?
- Does the platform take suitable measures to ensure users are compliant with product or industry specific requirements such as occupational licensing and product safety requirements?
- Does the platform work collaboratively with regulatory authorities?

Where can I find more information?

In addition to this guide, the Commission developed a [guide to promote good practice for small business users of digital platforms](https://www.smallbusiness.nsw.gov.au/resources/factsheets/digital-platforms-guide-factsheet) (<https://www.smallbusiness.nsw.gov.au/resources/factsheets/digital-platforms-guide-factsheet>)

The Commission offers both advocacy and mediation services. To find out more, our [Advocacy Services Guide](https://www.smallbusiness.nsw.gov.au/resources/guides/advocacy-services-guide) (<https://www.smallbusiness.nsw.gov.au/resources/guides/advocacy-services-guide>) provides an overview of how we support small businesses and advocate for improvements where there are common issues and challenges.

Mediation can also be a good way to help parties explore options to resolve a dispute. To find out more, see our [Mediation Services Guide](https://www.smallbusiness.nsw.gov.au/mediation/mediation-guide) (<https://www.smallbusiness.nsw.gov.au/mediation/mediation-guide>).



Advocacy services guide



Small Business Commissioner

[smallbusiness.nsw.gov.au](https://www.smallbusiness.nsw.gov.au)

Resolving Business Disputes: A guide to mediation



Small Business Commissioner

[smallbusiness.nsw.gov.au](https://www.smallbusiness.nsw.gov.au)