

Thursday, 1 December 2005

SCAMS NUMBER ONE CONSUMER COMPLAINT

Scams and schemes are now the number one source of complaints reported to the Office of Consumer and Business Affairs (OCBA).

OCBA's Annual Report, tabled in State Parliament today, shows the agency received 108,306 enquiries from consumers in relation to fair trading and general consumer issues last financial year.

Many of these consumer enquiries were resolved through agency advice and information, but some warranted OCBA to assist consumers to negotiate with traders. 4971 of the total number of enquiries escalated into formal complaints.

The top five areas of formal complaints were:

Category	04/05	03/04	Variation
Scams and schemes	1525	901	69%
General consumer products <i>Includes clothes, furniture, electrical, pet products, air conditioners, books, jewellery, camping equipment</i>	847	974	- 13%
Residential building and construction	799	978	- 18%
General services <i>Includes gym membership, dry-cleaning, introduction agencies, furniture removalists, training providers</i>	471	492	- 4%
Motor vehicles <i>Includes buying new and used cars, repairs, servicing</i>	360	444	- 19%

Consumer Affairs Minister, Karlene Maywald said today that scams initiated many complaints.

“OCBA has worked hard this year to make consumers aware of new and existing scams, so that consumers do not fall into the trap of participating in illegal schemes.

“In particular, OCBA, along with the other states, worked effectively to intercept 80,000 David Rhodes chain letters before they reached the intended recipients.”

OCBA has also issued numerous warnings about scams reminding people that anyone is a potential target, including businesses. People need to be alert and to recognise scams before responding. If in doubt, call OCBA for advice or ask for a copy of the ‘Little Black Book of Scams’.

OCBA received 799 formal complaints about building issues, a welcome drop from 978 in the previous year, but still a high enough figure to be of concern to people making what is one of the most important decisions of their lives.

“The major complaints included quality of work, problems with contracts, extensive delays, lack of communication between the builder and the consumer,” Minister Maywald said.

“It’s pleasing that complaints overall about residential building were down by 18 percent from the previous year and this reflects how OCBA’s enforcement activities are making an impact,” she said.

The Annual Report revealed the range of activities and approaches OCBA used during the year to ensure compliance in the marketplace.

OCBA’s enforcement activities included strong focus on matters relating to building, the sale of second-hand vehicles and real estate.

The number of court actions reflects this, with 1506 warning for alleged breaches of legislation, and court action on 34 individual matters.

“I am pleased that OCBA is taking steps to further protect consumers and traders in the marketplace. The Annual Report backs up the agency’s tough stance against law breakers in the interests of fostering a fair South Australian marketplace,” Minister Maywald said.

For a copy of the Annual Report or publications phone OCBA on 8204 9516, to report a scam or problems with a builder phone OCBA’s free advisory service on 8204 9777 or 131 882 for country callers, or visit www.ocba.sa.gov.au.