

News Release

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Government
of South Australia

Hon Gail Gago

Minister for State/Local Government

Relations

Minister for the Status of Women

Minister for Consumer Affairs

Minister Government Enterprises

Minister Ast Minister for Transport, Infrastructure & Energy

Thursday, 14th January 2010

MORE ROGUE TRADERS WARNED AND FINED

South Australia's consumer watchdog is biting at the heels of unfair traders with significantly more traders warned or fined for breaches of consumer protection laws last year.

Minister for Consumer Affairs Gail Gago says around 50 percent more warning letters and expiation notices were issued as the Office of Consumer and Business Affairs (OCBA) sought to crackdown on traders ignoring the law.

"Consumers are often the ones that suffer if businesses don't trade fairly or abide by their legal responsibilities, and we want to prevent that from happening," says Minister Gago.

In 2009 3,100 warning letters were issued to: builders and second-hand vehicle dealers who acted unlawfully; landlords and agents who failed to lodge rental bonds on time; traders operating without a registered business name; real estate agents who did not comply with the reforms; and traders using unapproved measuring instruments. 2,061 warning letters were issued in 2008.

Expiations increased from 125 in 2008, to 183 in 2009. The majority of the expiation notices issued related to landlords and agents who did not lodge bonds on time.

Minister Gago says "While landlords and agents are quick to collect bonds from tenants, they aren't always so diligent in lodging the bond money with OCBA."

"By law, bonds must be promptly lodged with OCBA as an independent third party, and OCBA has taken a tougher stance against landlords and agents who breach this requirement."

OCBA also increased its compliance focus on industries and practices that generate a high number of complaints from consumers.

"Consumers find it very frustrating if traders don't fulfil their side of the contract, perform shoddy work or make misrepresentations, and OCBA takes this conduct very seriously," says Minister Gago.

"Often a formal warning or an enforceable undertaking is enough to stop the unlawful conduct, but OCBA will pursue tougher action including court action where traders don't play by the rules."

During the year there were prosecution or disciplinary outcomes against 18 individuals and companies that breached fair trading and licensing laws including:

- An unlicensed second-hand vehicle dealer who misrepresented the histories of vehicles (permanently prohibited from working in the industry, after previously being convicted and fined \$25,000).
- A beauty school owner who deceived her students into believing that her beauty school provided nationally accredited training (fined \$6,500 plus costs of over \$10,000).
- A woman who targeted a South Australian business with a false billing scam (fined \$5,000).
- An unlicensed tiler who performed substandard work (ordered to pay more than \$6,000 in compensation to a consumer and fined \$2,000 plus costs).

“If consumers feel that a business isn’t trading fairly and isn’t willing to resolve a problem they should contact OCBA for advice and report the alleged misconduct,” urged Minister Gago.

Concerned consumers can contact OCBA on 8204 9777, or 131 882 for country callers. More information about fair-trading is available at www.ocba.sa.gov.au