

Tuesday May 30, 2006

DOOR-TO-DOOR SALES PEOPLE ON NOTICE

Consumer Affairs Minister Jennifer Rankine says efforts by South Australia's Office of Consumer and Business Affairs (OCBA) to make sure door-to-door home improvements salespeople are behaving themselves have gone a long way to cleaning up the industry.

OCBA has completed an audit of South Australian businesses involved in the supply and installation of home improvement products and services, and has found that all businesses audited were – to varying degrees – failing to comply with the door-to-door sales provisions of the Fair Trading Act.

Minister Rankine says these door-to-door sellers have misguided many consumers.

“The sellers have been neglecting to explain and provide information to consumers on the door-to-door provisions under the Act, and many consumers have gone ahead with contracts unaware that they had the option to ‘cool-off’ and walk away from the deal,” says Ms Rankine.

“OCBA’s actions have gone a long way to cleaning up the home improvement industry, ensuring the marketplace is fairer for both consumers and businesses.”

“However, should such businesses be detected by OCBA to be breaching the door-to-door sales provisions of the Act, they will be liable to be prosecuted for breaching the assurance, as well as the illegal conduct.”

The audit program was undertaken to determine the level of compliance with the door-to-door sales provisions of the Fair Trading Act. Door to door selling is best described as business that is solicited or ‘sought out’ by the trader. Door to door selling can include contracts for goods and services entered into as a result of:

- Door knocking a residence unannounced
- Telemarketing which results in a contract being entered in the consumer and trader’s presence
- Printed or written material addressed personally to a prospective consumer
- Business conducted away from the trade premises of the trader where the trader approaches consumers
- The delivery or return of a ticket that gives the chance of a prize, gift or other benefit.

All businesses were cooperative with OCBA and have provided the Commissioner for Consumer Affairs with written assurances that they will, in future, comply with the door-to-door sales provisions of the Fair Trading Act.

The Minister says she’s surprised businesses did not adequately understand their requirements for door-to-door trading.

“If consumers purchase goods or services costing more than \$50 as a result of door-to-door trading, by law they have a 10-day cooling-off period,” says Ms Rankine.

“Door-to-door traders are required to give consumers written information outlining the right to cool-off, and a form to use if consumers wish to do so. Traders can not accept payment, or supply any services, until this cooling-off period has expired.”

“Some people are vulnerable and feel pressured into purchasing things they do not need or cannot afford. In these circumstances the door-to-door sales provisions allows the person to cool-off from the deal.”

“The door-to-door sales provisions are designed to protect consumers who are not at the time actively looking to purchase goods or services, however enter into contracts to purchase goods or services after being directly approached by a trader.”

For more information about cooling off rights contact OCBA on 8204 9777, country callers 131 882, or visit www.ocba.sa.gov.au

For further information contact David Heath on 0422 004 439
