

THE CONSUMER

CONSUMER AFFAIRS

1/2008

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SHOP & GIFTS & HOME SPECIALTIES

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BUYING LOCAL



Northern Territory Government

Buying over the Internet

Purchasing new and second-hand goods over the Internet from retailers interstate or sites such as eBay is an attractive option for Territory consumers these days.

The Internet allows access to a wider range of goods than is available to Territorians from local retailers and at prices that seem to offer a better deal.

Internet buying can result in a successful outcome, but Consumer Affairs regularly receives complaints from consumers who have purchased goods over the internet, some of the complaints being:

- did not receive the goods they ordered and paid for,
- experienced long delays in receiving the goods, or
- received the goods but they were different to what they ordered.

In dealing with these complaints Consumer Affairs can have great difficulty in locating the supplier and obtaining redress for the consumer.

Always do your research when buying from anyone or any company over the Internet as an Internet site does not guarantee that the seller is a legitimate business.

Buying locally is a much safer option as consumers are able to visit the business and deal directly, face-to-face, with the staff.



A message from the Minister for Consumer Affairs

I welcome the opportunity as the new Minister for Consumer Affairs to introduce this the first edition of *The Consumer* for 2008.

This issue of *The Consumer* is focused on 'buying local'. It discusses topics relating to purchasing goods on the internet, over the phone or at your door via door-to-door sales. All of these have their own particular risks when compared to purchasing from a local trader.

This magazine provides important information to ensure that you, as a consumer, are aware of your rights and responsibilities. It also highlights the services of Consumer Affairs, which is there to assist Territory consumers when purchasing goods and services and also to assist traders to understand their rights and responsibilities when providing those goods and services.

I consider this issue to be a highly relevant one. Buying locally means you can 'try before you buy' and have the benefit of receiving certain goods immediately after payment.

On top of this, buying locally supports the Territory economy. When you buy locally, the businesses you support in turn pay local workers, pay local taxes, use local services and contribute to the community in a variety of ways.

So use the internet and interstate purchasing wisely, think about shopping locally and give the staff at Consumer Affairs a call if you want more information about any of the information in this issue.

Dr (Chris) Burns MLA
Minister for Justice and
Attorney-General



PUPPY FOR SALE

but is it a real puppy?

Buying puppies from newspaper ads or over the Internet is a risky business and requires good research.

Territory consumers have been caught by a scammer advertising puppies at attractive prices in Northern Territory newspapers.

The puppies are of several breeds, including English Bulldog, Yorkshire Terrier and Boston Terrier, and they are supposedly house-trained and good with children.

The scammers advise that once payment is made, the dog would be shipped to the consumer's address, but the puppy never arrives.



Consumers should independently verify the identity of sellers of puppies on the Internet or in newspapers before committing to a purchase.

It is a good idea to contact the local dog breeders' association, such as the North Australian Canine Association, for assistance – and buy only from reputable breeders.

Of course if you can buy from local breeders where

you see the pups before purchase and check all the documentation, you are more likely to be certain of getting the puppy you want.

Who is a finance broker really working for?

Are you thinking about using a finance or mortgage broker to help find the right loan for you? A broker can save you time and effort but there are a few things to consider before you sign on the dotted line.

A finance broker is someone who negotiates with banks, credit unions and other lenders on your behalf to arrange loans, usually for a fee and / or a commission either paid by you or the financier.

Finance brokers in the Northern Territory are not required to be licensed and their activities are not regulated, however, they must act fairly and honestly and must

disclose fees and charges that apply to the services they offer.

There is no restriction on the fees a broker can charge so make sure you are aware of the fees you will be required to pay for the broker's services before you sign a contract.

You should also check for an 'up front fees' clause in your broker's contract – it is strongly recommended that you do not pay any fees to a broker until they successfully find you a loan that you are happy with.

Consumer Affairs recommends dealing with a local finance broker

as this has many advantages. You can visit the broker in person, see their office and judge for yourself whether your wish to use their services. Further, if something goes wrong with the transaction or you are unhappy with the service you have received from a broker, it is easier for both you and Consumer Affairs to negotiate a resolution with a broker who is in the Territory.

Remember, **do not sign anything** unless you have read and understood the document. If in doubt, contact Consumer Affairs or seek independent advice.

Log onto our website:
consumeraffairs.nt.gov.au

Looking for love... *in all the wrong places!*

John was looking for company, had seen an ad in the Personal section – ‘Secret Meetings: Morning, Afternoon & Night time meetings. Very Discreet’.

John thought he would give it a go and rang the mobile number listed. He was asked to deposit \$200 into a bank account for a joining fee, which he did, and they gave him a membership number and phone number of the woman he could meet.

John rang the number and spoke with a woman who did not know anything about the introduction agency and hung up. He continued to ring the number a few times saying that he thought he had been scammed of his money, to which they would always hang up on him.

The next weekend John noticed the same ad with a different phone number listed and when he rang to see if he could receive the service that he paid for or have his money refunded, again they hung up on him.

Agents such as this prey on the vulnerable and lonely and count on the fact that consumers will not report fraudulent activity out of embarrassment or shame.



We urge anyone who has fallen prey to this sort of scam to contact Consumer Affairs on 1800 019 319.

Consumer Affairs will not hesitate to take action against anyone operating such activities and we urge consumers not to reply to these small advertisements, and certainly not to hand over any cash unless you know exactly who you are dealing with.

Investigations are continuing into the activities of this scammer, and legal action is likely to follow.

Did you know?

Thinking of renting a computer or laptop?

It seems that we constantly have to upgrade our computer software and equipment. It is not that they're completely obsolete, it's just that there's always something better and often for only a bit more cost.

Most rental contracts set out very clearly how much you need to pay and for how long. They also include Insurance that covers theft, loss or damage, but have you thought to ask about the following:

- Does the computer have anti-virus software installed?
- Does the warranty cover the entire contract (most are for 12 months only)?
- Does the warranty cover the software?
- Does the warranty cover computer virus damage?

Ask the questions before you sign the rental contract. Shopping locally means you can talk to local staff about these issues.



Purchasing on EBay

A number of consumers making purchases from the Internet auction site eBay have been caught by shonky sellers who do not have, or have no intention of supplying, the goods they advertise.

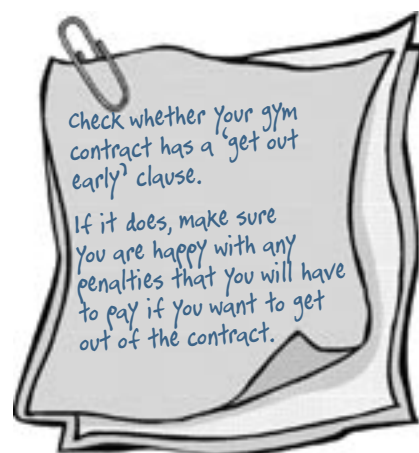
These consumers made payments direct to the seller's bank account or through third party money forwarders such as Western Union only to find that the seller had been banned from advertising on eBay because of reports of non-delivery.

eBay purchasers should check on the bona fides of sellers by checking the feedback reports provided on the sellers, and only send money by safe payment means such as Pay Pal. This provides a Buyer Protection Program that can provide cover to the value of \$1500 if the item ordered is not received or is not significantly as described.

To improve their chances of success, purchasers using eBay or other internet auction sites should make themselves familiar with the rules of the site before buying.

**For good advice, phone
Consumer Affairs on 1800 019 319**

Does your gym contract fit your needs?



Joining a gym is a great step towards improved health and fitness but Territorians are advised to read their contract carefully and make sure they know what they are getting into.

Try to avoid paying large amounts 'up-front' or committing to long-term contracts. Sometimes this can be cheaper, but in the long run can be expensive if your life circumstances change.

Some gyms will not refund already paid fees, hold funds in credit, or issue a credit when going on a holiday, while others will allow you 'time out' when you are away on holidays. It always pays to ask.

Many gym memberships automatically flip over to continuing membership at the end of the 'minimum' term but consumers may wrongly assume their contract will end at that point and are surprised when direct debits still come out of their account. Direct debiting can be a problem and it is important to make sure contracts clearly state when direct debit payments will stop.

Many continue forever unless you give notice you want them stopped.

Most people sign gym contracts without understanding the terms or conditions. This is one of the most common complaints to Consumer Affairs and can lead to cancellation disputes.



RENT OR BUY?

Want the good things in life now?

Most sellers of high-value goods such as computers, electrical goods and furnishings provide a renting option for customers who do not want or are unable to make a cash or credit card payment to purchase the item outright.

With renting there's no big cash outlay up front and often no application fee.

Consumer Affairs has dealt with a number of complaints from consumers who believe that they were not fully informed of the terms and conditions and were disadvantaged as a result.

Issues such as taxation benefits and ownership of the item at the end of the rental period are complex and you may need the advice of a tax agent or other expert to understand the real benefits to you personally.

Log onto our website:
consumeraffairs.nt.gov.au

Beware of unlicensed motor vehicle dealers

Consumer Affairs has received complaints from several consumers who have been enticed to enter into purchase contracts with an unlicensed motor vehicle dealer in Darwin's rural area.

This dealer had an arrangement with a Queensland licensed dealer to send Queensland-registered vehicles to Darwin for consumers who had responded to a newspaper advertisement and viewed available vehicles on a website.

Unfortunately for the consumers, the vehicles sent from Queensland were not always what they seemed on the website. Vulnerable consumers were offered credit for vehicles that put them in a difficult financial position when payments were due.

Consumer Affairs has been able to assist these consumers by having the credit provider review the credit contract, varying

it to suit the consumer's financial situation.

Consumer Affairs strongly advises Territorians not to be tempted to purchase vehicles from dodgy operators who are not licensed in the NT. The *Territory Consumer Affairs and Fair Trading Act* provides statutory warranty protection for vehicles sold by licensed dealers and the NT Government is able to enforce standards of behaviour for these dealers that is not possible for unlicensed dealers and private sales in general.



Some Territorians also purchase vehicles directly from interstate licensed dealers and private sellers over the internet without seeing the vehicles prior to purchase (apart from a photograph). This can be a risky



business, as large sums of money are often involved, and Consumer Affairs may find it very difficult to obtain redress for consumers if the vehicle they receive is not what it seemed.

Consumer Affairs advice is 'buy local' whenever possible, even if the prices seem higher, as it could well be cheaper in the long run. If you must buy sight unseen, it's a good idea to have the vehicle inspected by an appropriate person or business prior to purchase to ensure you don't have an expensive and unpleasant surprise when the vehicle arrives in the Territory.

My holiday bill went up \$2000!

A regular complaint Consumer Affairs receives about vehicle renting is the extra charges made direct to the credit card by rental companies when a vehicle is returned but the company claims the car is not in the same condition as when it was rented.

Consumers often complain that they have been charged sometimes thousands of dollars after returning the vehicle, for damage that they were not aware of and did not cause. However the rental company is able to demonstrate damage from photographs or inspection reports. It is very difficult for consumers to defend themselves from these claims.



At the end of the rental, the rental company and the renter should go over the vehicle together and agree on any additional damage that has been caused. Often, however, the renter is in a hurry when renting or returning the vehicle and does not carry out the check. Or the vehicle is left at a collection point (e.g. an airport), and only later does the consumer receive advice of repairs which have already been charged to a credit card.

Take digital photographs of the vehicle before and after renting, preferably in the presence of a member of the rental company's staff, as these can help if there is a dispute about a claim for damage by the rental company. If you have been wrongly charged for damage, or have questions about a rental contract, contact Consumer Affairs for advice and assistance.

For good advice, phone

Consumer Affairs on 1800 019 319

Flash TV *but no reception?*

Most televisions sold today use plasma or LCD technology. To obtain the full benefits from this technology you need a digital TV or digital set-top box to receive a high quality signal and picture from your antenna.

In some areas, or when very old VHF antennas are used, it may be necessary to replace the existing antenna with a new digital antenna. Don't forget if you buy over the internet or from interstate, the sales people won't know about local reception.

In rental properties, if there is a problem with the antenna, a tenant can approach the landlord to see if a digital aerial can

be installed. However the tenant cannot expect the landlord to do this if the tenancy agreement was entered into with the existing antenna in place. The landlord may, however, agree to the tenant purchasing a digital aerial and having it installed. It is recommended that the tenant obtain a written agreement as to what will be done with the aerial at the end of the tenancy.

Currently, it is not expected that analogue television services will be phased out until sometime between 2010 and 2012, so consumers have some time to prepare for the changeover.



Court orders mobile phone company to *PAY UP*

Consumer Affairs has worked closely with the NT office of the Australian Competition and Consumer Commission following complaints from numerous Indigenous consumers about sales of mobile phones in remote communities.

Viptel is to refund and cancel contracts for more than 150 customers without penalty as a result of the ACCC's legal action.

The court found that several statements were untrue and has ordered the company:

- not to engage in the conduct again,

- to arrange for the broadcast of a community service announcement in Indigenous communities to educate consumers about telemarketing calls,
- to implement a Trade Practices compliance program, and
- to pay costs of \$50,000 to the ACCC.

The company also provided court enforceable undertakings to the ACCC regarding refunds to consumers.

ACCC Chairman, Mr Graeme Samuel, said it was appalling that consumers were committed over the

telephone to direct debit contracts that would ultimately cost them from \$900 to \$2300 where there was no mobile service available to them.

"It seems the telemarketers had a flagrant disregard for the truth in their pursuit of customers. The telemarketing calls, which originated in India, were often received by Indigenous consumers for whom English was a second language.

Consumer Affairs is always interested to hear about telemarketers who consumers think may be acting unfairly or using high pressure sales.

Log onto our website:
consumeraffairs.nt.gov.au

MARVIN joins Consumer Affairs



Michael Long has been the face of NT Consumer Affairs Indigenous Education, Awareness and Promotion since 2003.

A series of posters, DVDs, videos, 30 second television advertisements and radio segments continue to promote consumer messages throughout the Territory.

Consumer Affairs has now invested in the locally developed MARVIN Computer Animated Multi Media program to help expand the range of consumer messages throughout the Territory.

The MARVIN Program has a large number of existing characters and Consumer Affairs now has a Michael Long animated character to enable it to continue to use his image in the ongoing Indigenous Consumer Education and Awareness program.

MARVIN makes developing a consumer message quite simple and is easily translated from English into any number of Indigenous languages for particular language groups, to assist in getting consumer messages out to remote areas. Local pictures and images can also be used in the MARVIN program to enhance the local feel of the presentation. The collaboration with the local community in the development of the presentations is also a key aspect.

Consumer Affairs will be taking Michael Long's character through the Territory to educate and inform Indigenous consumers about their consumer rights and responsibilities.



**For further information log onto our website:
consumeraffairs.nt.gov.au or write to
Consumer Affairs, GPO Box 1722 Darwin NT 0801**