

THE CONSUMER

CONSUMER AFFAIRS

1/2009

**STOP
SCAMS**

**BUY
LOCAL**

**DOOR
TO DOOR
TRADERS**

**BEWARE
PYRAMID
SELLING**

NO REFUNDS

**TAKE CARE
OUT THERE**

From the Acting Commissioner of Consumer Affairs

At Consumer Affairs we keep in touch with both consumers and traders, to keep you informed of what's happening in the Territory marketplace. My staff have been busy connecting with traders and consumers, providing information, visiting the regions and Indigenous communities, educating, auditing and investigating.

Part of our role is to warn you about scams, rogue traders and unsafe products and alert you to problems and issues of a local and national nature.

Some of these are very real concerns for Territorians and are highlighted in this newsletter. Technology is also being used more and more to try to trap people, so we have covered topics

such as wireless internet, online rental scams and telemarketing warnings to keep you up to date.

When out shopping, consumers need to be aware of potential bait advertising, unsafe toys,



correct prices and accurate product weights. My staff have been protecting your rights in these areas, as you will read in this issue.

Consumers should also be careful dealing with itinerant or door to door traders as they have little opportunity to seek refunds or repairs should things go wrong. I recommend Territorians deal with reputable Territory businesses that provide local sales, services and warranties.

My staff are here to assist and advice consumers throughout the Northern Territory. If you have a consumer issue, please contact us.

Gary Clements

Did you know? Bait advertising



Are those sale items actually on the shelf?! Bait advertising is a common form of false advertising in the NT. It occurs when an item is advertised at a sale price but the seller is not able to supply the goods at that price for a reasonable period in reasonable quantities. Often people may buy other more expensive items from the store instead.

Consumer Affairs regularly conducts audits of retailers for bait advertising, especially in the lead up to Mother's Day and Father's Day.

There may be an explanation for running out of stock, but it isn't enough for sellers to claim that goods aren't available due to freight delay.

It is an acceptable solution for the trader to offer you a similar or equivalent product at the sale price, or to obtain the item for you at the sale price within a reasonable time.

If you think you have been the victim of false, misleading, or bait advertising by retailers, contact Consumer Affairs.

Connecting with consumers

Presentations and displays

Keeping in touch with you is important to us here at Consumer Affairs. Our staff are keen to connect with local consumers and traders. We aim to keep you informed and take our messages directly to you in a number of formats.

Fair Trading Officers and the Client Services Manager were busy this quarter visiting a variety of venues and events. They presented in high schools, at the Charles Darwin

University, and the University of the Third Age (seniors group). These information and education sessions covered topics such as warranties, mobile phones and product safety. They assist in raising awareness of your rights and responsibilities.

Displays were held as part of the Defence Family Fun Day, the Territory Government's Builder's Road Show, and Getting Started in Business seminars. Regular displays were also placed in public libraries and at local shopping centres

Staff also visited regional areas including Katherine, Jilkminggan (Duck Creek) and Elliott to liaise with traders and community members.

If you would like a display or presentation in your area please contact Consumer Affairs

to organise a suitable date and time. Content can be tailored to suit your needs and target audience.



Shelagh Leonard talks with Rural Seniors



Rebecca Donovan and Mary-Anne Meginess, Defence Fun Day



Greg Smith and Sharyn Vaughan (ACCC), Tennant Creek

Winners are grinners!

Tell us what YOU think – getting involved with Youth Week



Benjamin Hoare was the lucky winner of our recent competition held as part of National Youth Week. The prize is a \$100 voucher. As part of the competition people aged between 12 and 25 answered six simple questions after reading our Cool Consumer newsletter. The answers will help us tailor our services to youth.

Real life stories, scams, warnings, money, banking, careers and shopping are some of the topics Territory youth say they want information about.

They suggested sessions at schools, displays at markets, fun free stuff, TV adverts, FaceBook pages and radio talks as ways we can get our message out there. We also received ideas for new names for the newsletter and what they'd like to see on the cover.

Consumer Affairs material was available at major Youth Week events including the BIG GIG, Making in Malak, Go Bowling, Leadership Camps and the Alice Springs Public Library. We linked with organisations such as the YWCA, The Shak and local councils to connect with younger consumers

Watch out for Door to Door Traders

Territorians should be on the lookout for sales representatives targeting people through door to door sales. You need to be careful dealing with itinerant traders as you have little opportunity to get refunds or repairs if things go wrong.

Know your rights – what is Door to Door Trading?

Door to door trading is when someone who is selling goods or services contacts you by:

- Knocking on the door;
- Approaching you in the street;
- Telephoning you at work or at home; or
- When someone contacts you, selling goods or services and asks you to make an appointment to visit you later.

Some tips before you buy from a Door to Door Trader

- Only sign for goods if you really want them and can afford them;
- Ask for the caller's ID which must detail the full name of the salesperson and the company;
- Inspect goods, prices, freight and installations, warranty and refund conditions;
- Never sign a contract with blank spaces;
- Understand the contents and conditions of the contract BEFORE you sign;
- Get advice from someone independent;
- Always read the small print;
- NEVER sign just to get rid of the trader;
- You can ask the trader to leave your home at any time. If they refuse, call the police.



10 day 'cooling off' period

There is a 10-day 'cooling off' period for door to door sales over \$50. You have 10 days after signing the contract to cancel it without penalty.

During that 10 days, you can cancel the deal if you change your mind. This must be clearly stated in any contract you are asked to sign.

The trader cannot provide any services or take any money during the cooling off period.

Cancelling a contract

The contract can also be cancelled if the goods or services are not delivered or if the trader breaks the door to door trading rules.

A trader is only allowed to call on:

- Monday to Friday 9.00am to 8.00pm
- Saturday 9.00am to 5.00pm

We advise people to deal with reputable Territory businesses that provide local sales, services and warranties.

Good news for local supermarket shoppers

Are you getting what you pay for? Trade Measurement officers recently conducted a check on pre-packed articles in all major Darwin and Alice Springs supermarkets.

A compliance level of 98.5% was a fantastic result and shows that the major supermarkets

are aware of their responsibilities in this area of their business.

The checks also showed no bar code scanning irregularities.

The main target areas were fruit and vegetable displays, delicatessen lines, bread and associated products and meat.

Items such as carrots, pumpkin, potatoes, tomatoes, capsicums, apples, oranges, pears and figs were checked for correct

labelling requirements and also to ensure correct weight was in the package.

Smallgoods checked included salami, ham, sausages, all types of random weight cheese and fish. All cuts of unit priced meat as well as 'reduced to clear' items were also checked.

For any issues relating to pricing and weights contact Consumer Affairs.



For good advice, email

consumer@nt.gov.au

What is Pyramid Selling? Be alert!



No it's not from Egypt! Consumer Affairs Compliance staff recently attended a seminar held in Darwin about a possible illegal pyramid selling scheme encouraging people to join a lotto system scheme. Staff handed out a media release warning consumers to be very cautious.

A pyramid selling scheme is an illegal form of multi-level marketing in which you pay a fee to join in the scheme and where you will receive payment or benefits if others join.

If the scheme involves the selling of a product, that does not preclude it from being pyramid selling. To determine whether something is a pyramid selling scheme, a court will look at the value of the product being sold vs. the cost to join as well as

the emphasis given to recruitment payments.

IS IT ILLEGAL?

Yes. It is an offence under the *Consumer Affairs and Fair Trading Act* to participate in a pyramid selling scheme or induce or attempt to induce others to participate.

Hefty penalties apply. Individuals face fines of up to \$55,000 and corporations face fines of up to \$275,000.

WHY IS PYRAMID SELLING ILLEGAL?

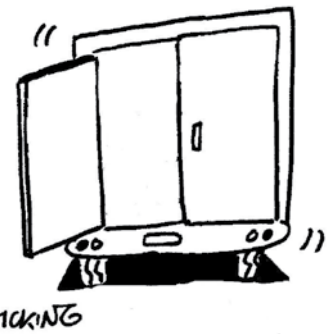
Pyramid selling is illegal because it is an unfair form of trading. The cost of joining is generally high and the only way participants can get their money back is to recruit more participants.

This means the market for new recruits will soon be saturated, with the participants at the top of the pyramid, who got in first, the only real winners.

The chance of finding new recruits is reduced as the number of participants increases. Once new recruits stop investing in the scheme, the pyramid collapses and those who have invested money will lose. By their very nature, all pyramid schemes will eventually fail.

In addition, you have to pay to be a customer, you'll face pressure to buy more and recruit more, and you'll turn your family and friends into 'prospects'. Pyramid schemes typically suggest you sell to, and recruit, people you know well. Do you really want to view those closest to you as income?

Would YOU buy something from the back of a van?



The start of the dry season often means an influx of interstate traders and handymen who come to the Territory to get away from the southern winter and earn a few dollars while they are here. Consumers are always watching out for bargains, but don't get caught out – the cheapest isn't always the best value in the long run.



This year Territorians were conned by dodgy itinerant salesmen selling home theatre systems from the back of a van. The dubious salesmen said the equipment was part of a promotional exercise. In one instance a consumer agreed to pay \$1000 for speakers advertised at \$5999. Being so easy to get a discount makes you wonder about the actual value of the items.

In the past Territorians have been caught out with poor quality workmanship, paying upfront for services not supplied and with no opportunity to put it right before the traders skip town.

We recommend Territorians use Territory businesses that supply local sales, services and warranties.

Some of the other services offered include renovations, roofing, house painting and tree lopping, to name just a few.

REMEMBER

- Ask the trader where they have done work before, and give that person a call to check if the work was good quality and completed.
- DO NOT pay up front for work to be done.
- ONLY PAY the agreed price when all the work has been completed to a reasonable standard.

Are your kids' toys safe?

Some of our most vulnerable consumers are infants and young children and an important part of our work is to protect them from potentially harmful toys that do not meet the prescribed standards.

Our officers undertook the annual Christmas toy survey to detect any unsafe toys in the marketplace. We inspected 61 premises across the Northern Territory including Elliott, Tennant Creek, Alice Springs, Howard Springs and Coolalinga. Approximately 2500 lines of toys were inspected and of these, 61 products were referred to the ACCC for further testing and follow up. As a result of the survey:

- 12 products were removed from shelves;
- 16 stores sold a product that appeared to be non compliant with the standard for toys for children under 36 months;
- 3 stores were detected selling toys in contravention of NT

bans. They were immediately removed from sale by the stores;

- 3 stores sold a product that was non compliant with the cosmetic labelling standards; and
- 6 products were given further labelling to warn consumers of potential choking hazards.

Most of the toys seized presented a choking hazard for children under three. Our officers also seized toy guns that could potentially cause eye injuries and the expanding toys known as 'growing pets'.

Our staff will also be out and about checking show bags to ensure items are safe for Territory children. Show bag inspections would be carried out BEFORE they go on sale. Product safety officers will be randomly inspecting stall holders selling toys and products, especially those that are marketed at younger children.

Expanding toys increase dramatically in size when immersed in water, but if parts of these toys are swallowed the pieces would expand inside a child and could prove to be fatal.



From this ...



... to this – in just one day!

Rental property scams *on the internet*

Territorians still being ripped off

Are you looking for a place to live? Renters still need to be careful when replying to rental properties advertised on the internet, if the owner says they are interstate or overseas.

We have received complaints from Territorians who have been ripped off by this scam and lost large sums of money.

One scammer advertised a place using photos put on the internet by the owner when it was for sale years earlier.

The scammer told tenants she was overseas but they could move in, as long as they paid a bond and rent in advance. The tenants paid the money but then found

out the place wasn't for rent and the scammer was not the owner.

You should never make an upfront payment for rent or bond by direct deposit unless you are sure the person who advertised the property is the owner.

If you have been affected by this form of scam, contact us at Consumer Affairs.



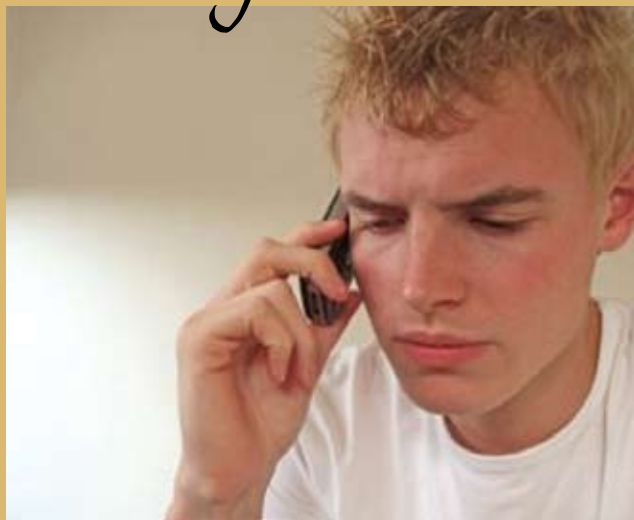
Log onto our website:
consumeraffairs.nt.gov.au

Be careful *when you answer the phone*

Telemarketing scams are still out there! A number of people contacted us earlier this year saying they had received telephone calls claiming they had won a free holiday to the Bahamas.

The callers were very convincing and persistent. Money was debited to credit cards despite the person asking the caller not to do so.

The caller had the first and last numbers of the person's credit card and asked for the remaining



numbers and the 3-digit security code on the back of the card. The 'consultant' promised to send

a package with more information on the 'prize'.

The sales staff used high pressure tactics, claiming it was only being promoted by word of mouth and wouldn't be advertised anywhere else.

TIPS

- Do not to provide credit card details to callers you don't know and trust.
- Contact your credit card provider to block any payment.
- Be very wary of callers and hang up immediately.

Are your groceries scanning correctly?

We've been checking up on things for you! How about those prices on your groceries? Service stations were again the biggest offenders of overcharging customers at the checkout in the Territory, according to the latest National Electronic Scanning Audit run by consumer agencies across the nation.

The audit involved 625 items across 25 stores in five categories – convenience stores, pharmacies, hardware stores, variety stores and service stations. 85% scanned correctly, and of the 15% of items which scanned incorrectly 7% were overcharges and 8% were undercharges.

Stores with 100% compliance were Wanguri Supermarket, Millner Supermarket, Overflow Palmerston and Target Palmerston.

Consumers are encouraged to check their receipts and if an item scans at a different price to the advertised shelf price they should bring it to the store's attention.

The highest overcharge recorded was a hardware item which scanned at \$25.00 over the price. In this case the trader undertook to honour the lower price. Hardware stores and service stations had the highest rate of error, with all those tested returning errors. Variety stores showed significant improvement.

Drive by internet *How secure is your wireless?*

Have you got wireless internet at home? How's your security? Did you know that people driving by with a mobile phone could tap into your network? Even your next door neighbours can hook into your internet and download what they like, all without you knowing.

If you have failed to secure your network you are leaving your identity and bank accounts at the mercy of hackers. Many victims are completely unaware they have been targeted until it is too late.

Staying secure:

- Place wireless access points away from windows and near the centre of your house.
- Add a firewall to your network access point and to each computer on the network.
- Specify the computers your access point will recognise using Media Access Control (MAC) addresses.
- Avoid storing passwords, credit card numbers or other personal information on your computer.

Take a few privacy precautions

Act quickly if you think you've been conned.

'Your Rights' film nights

Consumer Affairs teamed up recently with the Anti Discrimination Commission and visited remote communities including Bulman, Jilkminggan, Tennant Creek, Elliott and Barunga, screening several movies on a large outdoor inflatable screen.

The movies starred Indigenous actors and were very popular. Footage promoting our services and 'Your Rights' were played on the big screen too, as a way of getting our messages across to a captive audience.

The movies proved a great drawcard, bringing together a variety of community members. Some communities provided BBQs and this casual atmosphere meant people sat around and

chatted with our staff and asked questions about any issues they might have had. As the weather got colder, some even sat in their cars to watch, like the old fashioned 'Drive-In'!

Display stands with information and flyers were set up and staff were around to talk with people during the day before the movie session and next morning as well.

Staff from NT Legal Aid Commission, North Australian Aboriginal Justice Agency, Australian Competition and Consumer Commission and Commonwealth Ombudsman also provided information to people in the community.

More free film night trips are planned for later in the year.

IN ELLIOTT and TENNANT CREEK...



The boys arrive



The team



Setting up



Ready to go!

Get your copy or a copy for a friend!

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