

MEDIA RELEASE

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Energy retailers urged to end to door-to-door sales

The Consumer Action Law Centre has challenged Australia's energy retailers to put an end to door-to-door energy sales. The Centre issued the challenge on the back of new research showing 77 per cent of Australians have negative views of door-to-door sales. The research also documents concerns that this type of marketing places undue pressure on consumers and often results in them signing up to inferior deals.

Consumer Action's Director of Policy and Campaigns, Gerard Brody, said the new research supported evidence garnered through the complaints page on the Do Not Knock website (www.donotknock.org.au) that Australian households don't like salespeople visiting their homes and those who do buy at their door often regret their decision.

'Our research found a measly three per cent of consumers have a positive opinion of energy door-to-door sales which helps explain the groundswell of public support we've had for our "do not knock" sticker. The figure makes a lot of sense given the tactics salespeople use can be intimidating, misleading and rarely perceived to result in the consumer getting the cheapest deal.

'We've written to the CEOs of all energy retailers who are signatories to the Energy Assured Limited Code of Practice, asking that they voluntarily stop selling door-to-door and we're sure that the first company to announce that they'll end the practice will be rewarded with a huge amount of goodwill,' said Mr Brody.

In its letter to energy retailers Consumer Action highlighted a number of other telling results from its research, including that:

- Over 55 per cent of those surveyed nominated in-home or door-to-door sales as the shopping scenario in which they felt the most pressure; and
- Of those who thought they'd received a bad deal, the most common reason for purchasing the product was feeling pressure to sign up on the spot.

Mr Brody said the commission-driven nature of door-to-door sales commonly resulted in misleading and high pressure tactics which were bad for consumers and bad for competition.

'Each time a sale is made, not only the retailer but the salesperson reaps a financial benefit, so there's an incentive for agents to pressure-sell or mislead consumers. These sales also deny consumers the chance to shop around and look for the best deal because they're only being shown one retailer's offer and even details on that offer can be limited.

'We've put the challenge out there and we'll be keen to see which, if any, energy company steps up to the plate and does the right thing by consumers. In Britain five of the six biggest energy retailers have announced that they've stopped door-to-door sales so we believe it's time Australian energy retailers starting listening to their customers and followed suit,' said Mr Brody.

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Consumer Action's research paper, *Door-to-door sales: consumer views*, is available at www.donotknock.org.au and www.consumeraction.org.au.

Media Contact: Gerard Brody 0415 223 211

Consumer Action Law Centre

Level 7, 459 Little Collins Street
Melbourne Victoria 3000

Telephone 03 9670 5088
Facsimile 03 9629 6898

info@consumeraction.org.au
www.consumeraction.org.au