

MEDIA RELEASE

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Parliamentary inquiry told door-to-door sales cause consumer detriment and hinder competition

The organisation which invented the Do Not Knock sticker and is behind the national Do Not Knock campaign has made a submission to a Federal Parliamentary inquiry into the *Do Not Knock Register Bill 2012*. The Consumer Action Law Centre's submission argues that door-to-door sales continue to cause widespread consumer detriment, hinder market competition, and that greater consumer protections are desperately needed.

Gerard Brody, Director of Policy and Campaigns at Consumer Action, said the Centre welcomes the House of Representatives' Social Policy and Legal Affairs committee inquiry into a bill to establish a do not knock register which would run along the same lines as the Do Not Call Register, and was looking forward to having door-to-door selling discussed at a national level.

'Our legal practice continues to see clients who have been pressured into buying at the door and through our website, www.donotknock.org.au, we've helped over 100 consumers lodge complaints with the Australian Competition & Consumer Commission. When you combine this consumer detriment with the amazing popularity of the Do Not Knock sticker and recent research showing 77 per cent of Australians dislike door-to-door sales, you have a pretty compelling case for greater protection,' said Mr Brody.

Consumer Action's submission also refutes the energy industry's argument that door-to-door sales are necessary for effective competition, arguing that door-to-door sales are, by their nature, anti-competitive.

'When a consumer is offered a product at their doorstep they have no way of comparing it with what else is on the market. How can you be expected to make the right choice about an energy deal when the salesperson is giving you an option of one product? When you shop for something in store or over the internet you have a variety of products in front of you and you can compare prices and features—this simply doesn't happen at the door step.

'The high pressure nature of door-to-door sales can also lead to consumers signing up for products they don't necessarily want and sometimes can't afford,' said Mr Brody.

Mr Brody said Consumer Action's Do Not Knock sticker has offered a level of respite for consumers, but the number of consumer complaints about salespeople ignoring the sticker or finding ways around it showed more needed to be done.

'We've had a number of people with Do Not Knock stickers report being visited by sales people claiming that "they're not selling anything" so the sticker doesn't apply to them. While some visitors may not be selling anything, consumers have been fooled by these claims—where the "free trial" or "investigation of overcharging on energy bills" leads to a sales pitch.'

'Consumers need a simple and effective way of protecting themselves from door-to-door marketing. A Do Not Knock register would mean that consumers are free to opt out of this type of marketing, not leaving them vulnerable to high pressure sales tactics,' said Mr Brody.

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