

22 March 2024

By email: [energy.upgrades@delwp.vic.gov.au](mailto:energy.upgrades@delwp.vic.gov.au)

Department of Energy, Environment and Climate Action  
PO Box 500  
EAST MELBOURNE VIC 8002

Dear Manager, Demand Side Policy,  
Energy Demand and Efficiency Policy Branch,

## Telemarketing and doorknocking ban under the Victorian Energy Upgrades program

Consumer Action Law Centre (Consumer Action) welcomes the opportunity to provide comment on the Department of Energy, Environment and Climate Action's (DEECA) consultation regarding implementation of the telemarketing and doorknocking ban for the Victorian Energy Upgrades (VEU) program.

Consumer Action reaffirms our strong support of the implementation of this ban, as an important step in addressing the consumer harm that unsolicited sales practices can cause. Recent trends on our frontline services indicate a concerning growth in door-to-door sales of new energy technology (solar panels) and the use of improper high-pressure sales tactics. As Victorian consumers are increasingly turning to renewable and sustainable energy sources, it is crucial that strong consumer protections are upheld as quickly and effectively as possible as part of the energy transition.

In our previous submission<sup>1</sup>, Consumer Action has outlined three key recommendations that extend the VEU program objectives in improving consumer trust and engagement in renewable energy, assisting Victorians in reducing their greenhouse gas emissions and saving on their energy bills; and providing best sales practices to Victorians in line with consumer protections. These recommendations are best in line with the proposed Option B outlined in DEECA's Regulatory Impact Statement (RIS).

Further comment on our support for this option is outlined in this submission.

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<sup>1</sup> [Banning telemarketing under the Victorian Energy Upgrades program - Consumer Action Law Centre](#) July 2023, Consumer Action Law Centre

## Overview

Telemarketing and doorknocking practices have been consistently linked to unsolicited and unfair sales practices causing consumer harm. Since our initial paper in 2007<sup>2</sup>, Consumer Action has long identified the risks with these practices, and provided recommendations to ban telemarketing and door-knocking sales practices across Victoria<sup>3</sup>, as an integral step in ensuring a just and fair market for consumers.

Cold-calling and doorknocking have no place in a fair and just market. In addition to the potential facilitation of consumer harm, they also pose a risk to the reputation and understanding of the Victorian Energy Upgrades program, as part of Victoria's continued progress towards a just and equitable transition to renewable energy.

In the initial consultation, Consumer Action outlined our support for a comprehensive ban on both telemarketing and door knocking, to be enacted within three months. We continue to support the implementation of this ban across all forms of renewable energy products. The VEU program has the opportunity to set the best practice standard with the implementation of a clear, blanket ban on both telemarketing and doorknocking from May 1<sup>st</sup> 2024.

## About Consumer Action

Consumer Action is an independent, not-for profit consumer organisation with deep expertise in consumer and consumer credit laws, policy and direct knowledge of people's experience of modern markets. We work for a just marketplace, where people have power and business plays fair. We make life easier for people experiencing vulnerability and disadvantage in Australia, through financial counselling, legal advice, legal representation, policy work and campaigns. Based in Melbourne, our direct services assist Victorians and our advocacy supports a just marketplace for all Australians.

<sup>2</sup> [Coercion and harassment at the door: Consumer experiences with direct marketers](#) November 2007, Consumer Action Law Centre and the Financial and Consumer Rights Council

<sup>3</sup> [Knock if off! Door-to-door sales and consumer harm in Victoria](#) November 2017, Consumer Action Law Centre, Loddon Campaspe and WEstjustice

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# Response to feedback survey on preferred ban options

## Option B: Combined ban on telemarketing and doorknocking as the preferred ban option

Consumer Action has consistently held the position that unsolicited sales practices have no place in a well-functioning market. A ban on all forms of unsolicited sales should be implemented as soon as possible, as an integral part of ensuring a fair and just market for consumers.

We submit that Option B from the Regulatory Impact Statement should be implemented for the reasons outlined below.

### 1. Simple and easily understood

- i. It is our view that any ban needs to be simple and easily understood. This position is echoed in the Regulatory Impact Statement, which notes that members of the public and community groups preferred and agreed that 'A blanket ban would be the simplest to communicate to consumers and establish a clear expectation among the public on what is permitted.'
- ii. In comparison to Option A which only bans telemarketing, Option B addresses both forms of high-risk sales practices in one comprehensive strategy. Additionally, Option C outlines a phased ban, which will both be more complicated in its implementation, and cause unnecessary confusion for consumers in understanding what has been permitted and when.
- iii. Out of the three proposed options, Option B outlines a blanket ban on both methods of unsolicited sales, and a single date on which it is implemented. This option meets community expectations and preferences, in providing a clear and easily understandable information on their rights and protections against high-risk sales practices.

### 2. Effective and consistent implementation

- i. Of the three identified options outlined in the RIS, Option B outlines that both doorknocking and telemarketing will be prohibited on the same date. If an alternative approach is implemented (either in Option A or C), the staggered approach would allow for continued doorknocking practices, leaving consumers exposed to continued high-risk sales; unnecessary issues with communicating the roll out of the ban; and challenges to efficient monitoring and compliance.
- ii. By proposing a single date for the implementation of both doorknocking and telemarketing sales, Option B provides a broad-based and clear approach to the implementation of the ban. This option will benefit consumers, the retail market, and the regulatory and governmental sector in best facilitating an effective and consistent approach to the new changes.
- iii. Additionally, Option B facilitates coordinated and clear information on the ban to consumers that will allow the ban to be simple and easily understood, and provides a clear deadline for retailers to phase out unsolicited marketing practices efficiently.

### 3. Historical and current community feedback

- i. Out of the three options identified, Option B outlines a ban on both doorknocking and telemarketing to be prohibited most immediately.
- ii. Since 2008, quantitative research has shown that Victorian consumers are overwhelmingly supportive of a ban on unsolicited sales practices including both doorknocking and telemarketing.

- iii. Consumer Action has long advocated for a ban on all forms of unsolicited sales. In our 2016 survey, Consumer Action found that 3 in 4 Australians (76.9%) agreed that unsolicited sales including both telemarketing and doorknocking should be made unlawful<sup>4</sup>.
- iv. Alongside independent research, the Regulatory Impact Statement outlines that Victorian consumers stated that doorknocking was their least preferred method of staying informed<sup>5</sup>.

#### **4. Addresses community mistrust of the VEU Program**

- i. The Victorian Energy Upgrades program is a foundational aspect of the renewable energy transition for Victorian consumers. As part of ensuring an equitable transition, Victorians need to retain access to energy upgrades without feeling at risk of 'being scammed' or harassed.
- ii. Unsolicited sales practices across new energy technology are having significant impact on vulnerable and low income consumers, and have caused disreputation and distrust for Victorian government renewable energy programs, as evidenced in the RIS, that states inappropriate marketing is damaging the reputation of the VEU program<sup>6</sup>.
- iii. The implementation of an immediate and consistent ban as outlined in Option B would provide an effective method of preventing further mistrust for the program, and sets a standard for renewable energy marketing practices.

#### **5. Decisively and immediately addresses misconduct**

- i. As outlined in the RIS, the proposed Option B provides the most immediate and clear position on unsolicited sales practices. As in line with current consumer protections framework, consumers have a right to feel safe and protected against harassment, breaches to their privacy, and coercive sales, leading to financial hardship.
- ii. The VEU program must ensure that a ban is in line with current consumer protections, in preventing these harms, and providing the clearest avenue of redress to consumers who continue to be targeted after the ban is implemented.
- iii. As noted in the RIS, complaints of unsolicited sales has increased significantly since 2021, causing strain on regulatory bodies in enforcing safe sales practices. The holistic approach to unsolicited sales and decisive implementation date of Option B provides an efficient mechanism for the Essential Services Commission (ESC) to best administrate, monitor and enforce compliance of the ban.

#### **6. Prevention of additional high risk sales practices**

- i. Both Option A and C propose additional time for retailers to continue doorknocking sales practices, creating potential for retailers to divert their marketing towards doorknocking, causing further unsolicited sales and consumer harm
- ii. Comparatively, Option B proposes an immediate and comprehensive ban on both telemarketing and doorknocking effective on the same date. For this reason, it is the clearest option in preventing additional risk of harm to consumers by preventing the market from diverting it's resources to doorknocking, either over the three months outlined in the phased Option C; or in an ongoing way, if Option A was enacted.

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<sup>4</sup> [New Polling: 3 in 4 Australians want ban on door-to-door sales - Consumer Action Law Centre](#) May 2016, Consumer Action Law Centre

<sup>5</sup> Engage Victoria; *Regulatory Impact Statement: [Banning telemarketing under the Victorian Energy Upgrades program | Engage Victoria](#)*

<sup>6</sup> *Ibid.* p. 29

- iii. Consumer Action has received a growing number of cases regarding solar panel sales, with linked BNPL financing. It appears low income, regional consumers and people with a disability are disproportionately represented in targeted sales practices. Consumer Action has received nine cases regarding solar sales from August 2023 to time of writing, in comparison to 9 received in total in the previous year.
- iv. Consumer Action identified unsolicited sales (including via door-to-door and telemarketing); no cooling off periods; providing credit or lending without due diligence; and misrepresenting the costs and benefits to customers. Consumer Action submitted a systemic complaint to both the ACCC & ASIC regarding these sales practices leading to financial hardship.
- v. While these cases are not VEU program sales, these cases raise breaches of consumer protections including door-to-door and telemarketing sales by non-Victorian companies. They indicate loopholes with the current Victorian framework that necessitate a broad-based ban on unsolicited sales including for providers outside of the VEU program.

## Additional considerations

Consumer Action has outlined in previous reports and submissions the importance of banning telemarketing and doorknocking practices across Victoria, as part of a just and fair market for consumers.

In the context of the VEU program telemarketing and doorknocking ban, it is important to note that unsolicited sales practices may likely continue by retailers unregistered with both the VEU or Solar Victoria programs.

As the RIS outlines, while there are a significant proportion of accredited providers (APs) recorded in complaints, this only makes up a percentage of overall unsolicited marketing complaints registered since 2020<sup>7</sup>.

As Consumer Action has noted in our previous submission<sup>8</sup> and *Sunny Side Up* report<sup>9</sup>, there has been a significant increase in unsolicited and misleading marketing, and unfair contracts in the renewable energy industry in recent years, with significant impact on vulnerable and low income consumers.

Additionally, the benefits of enacting a ban on unsolicited marketing of the VEU program may risk being limited if this ban is not extended across all marketing practices across the renewable energy industry.

We submit that it is therefore crucial that a statewide ban on telemarketing and doorknocking is extended within three months in order to address industry practices outside of Victorian renewable energy programs.

**RECOMMENDATION 1.** That telemarketing and doorknocking sales practices are both banned on 1<sup>st</sup> May 2024, as outlined in Option B of the Regulatory Impact Statement (RIS)

**RECOMMENDATION 2.** That a Victorian ban on unsolicited sales practices of new energy products is enacted within three months of the VEU program ban.

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<sup>7</sup> Regulatory Impact Statement [Banning telemarketing under the Victorian Energy Upgrades program | Engage Victoria](#) p. 27

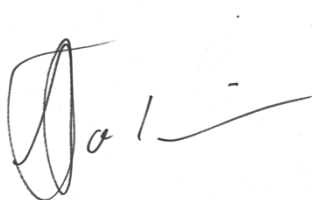
<sup>8</sup> [Banning telemarketing under the Victorian Energy Upgrades program - Consumer Action Law Centre](#) July 2023, Consumer Action Law Centre

<sup>9</sup> [Sunny Side Up: Strengthening the consumer protection regime for solar panels in Victoria - Consumer Action Law Centre](#) April 2019, Consumer Action Law Centre

Please contact Policy Officer **Eirene Tsolidis Noyce** at **Consumer Action Law Centre** on 03 9670 5088 or at [eirene@consumeraction.org.au](mailto:eirene@consumeraction.org.au) if you have any questions about this submission.

Yours Sincerely,

**CONSUMER ACTION LAW CENTRE**

A handwritten signature in black ink, appearing to read 'Stephanie Tonkin', is positioned above a faint, light grey circular watermark logo.

**Stephanie Tonkin** | Chief Executive Officer