

LEAD GEN UNDER THE LENS: Better regulation of lead generation marketing

Background Brief - March 2026

KEY POINTS

- Manipulative lead generation is the collection and sale of consumers' personal information for marketing - but without people understanding what approaches they've 'consented' to and which companies can access their information.
- We observe lead generation being used to circumvent unsolicited sales protections, often leading to high-pressure sales.
- Lead generation contributes to significant financial and emotional harm as it drives sales of poor-quality products and services. Personal data is also at risk of leaks and misuse, without consumers' knowledge.
- Digital platforms are amplifying the spread of manipulative lead generation and furthering harm.
- A combination of reforms is required, including: capturing lead generation under the UTP; licensing lead generators; making digital platforms accountable for ads they host; strengthening consumer consent requirements; and banning lead generation in certain high-risk sectors.

What is the problem?

Lead generators collect consumers' details for future sales, either directly or by third parties, and increasingly through online channels like social media posts, emails, and online ads.

Businesses are using lead generation to blur the line between invited and uninvited contact; manufacturing 'consent' for sales contact from a consumer providing personal details in response to a competition or ad. People enter their details online for a certain purpose,

CASE STUDY: Gina

In March 2024, Gina* saw a Facebook ad asking people to enter their postcode to see if they were eligible for 'free solar power'. Gina entered her postcode. On 22 March, a salesperson for a solar company visited her house, offering Gina a solar system with:

- no upfront costs
- a \$3,000 government rebate
- a free battery after 12 months.

When Gina said she would need to think the proposal over the salesperson pressured her saying it was their last day in her area and that the offer was temporary. They also said that the offer would be withdrawn if the quota in her area became full.

Eventually, Gina signed an agreement for solar panels that day. The contract Gina signed omitted the total cost of the system; it also made no mention of a BNPL payment plan. Gina told us that no check of her income and expenses was done.

The panels were installed the following week (but they were not connected to the grid). Gina said she received an email from a BNPL provider the next day notifying her that she was required to make fortnightly payments, at an amount higher than she was quoted. This amount was unaffordable for her.

After contacting the solar company multiple times to try and cancel the contract, Gina contacted our service. We assisted her to write to the companies involved.

The BNPL provider stated they would agree to remove Gina's liability, and refund all payments made back to her. However, Gina has since been contacted by debt collectors for the solar company, seeking to recover the amount paid for the panels directly from her instead.

*name changed

only to find themselves aggressively marketed to by an unfamiliar business, for a product or service they may have shown only a cursory interest in, if at all. As Gina's case study shows, such practices can open the door to high-pressure and deceptive sales techniques, which lead to significant emotional and financial harm.

Opportunity for reform

In March 2025, Consumer Action lodged [Australia's first designated complaint](#) on the harms from unsolicited selling and lead generation. The ACCC responded with an [in-depth review](#) of these practices, including options to reduce negative impacts on consumers.

Unsolicited selling is predatory, pressuring people into unwanted purchases and debt. An economy-wide ban is essential to end these harms, alongside regulation of lead generation to prevent businesses using it as a loophole to bypass a ban. Together, this would ensure consumers are only contacted by companies they want to hear from.

Options to regulate lead generation

Lead generation could be regulated in several ways, aiming to reduce consumer harm from unwanted, high-pressure sales, and decrease the risk of fraud and scams linked to mishandling personal data.

I. Define deceptive lead generation as 'unfair' and UTP in financial services

Lead generation activities that distort or manipulate will be captured as 'unfair' under the new principles-based prohibition on Unfair Trading Practices (UTP). Failing to obtain explicit, informed consent for contact should be included more explicitly in the 'grey' list of prohibited conduct.

Financial services must be a fast follower to implement the prohibition on unfair trading. We know the devastation of Shield and First Guardian, and super isn't the only financial services area of potential harm.

II. Accountability through licensing

Lead generators operate with little oversight, and businesses purchasing leads face limited accountability. To improve practices, lead generators – or businesses using their leads – should be required to meet conduct obligations. This could be done through licensing of lead generators, and/or holding businesses responsible for outsourced lead generation, enabling regulators to

penalise non-compliance more effectively.

III. Make digital platforms accountable for advertisements they host

Digital platforms should be increasingly accountable for advertisements they host. If lead generators were licensed, platforms could be required to host ads only from licensed businesses. In the absence of licensing, this could be achieved through a requirement to maintain public registries of who is advertising on their platforms, as well as regular review and removal of misleading, scam or otherwise harmful ads. At minimum, platforms should require these ads to clearly display the purpose: to harvest and on-sell a lead for marketing and sales.

IV. Strengthen consent and disclosure requirements

Stronger rules on collecting and using consumer data for lead generation would ensure that consumers have provided explicit, informed consent before contact. The Australian Consumer Law (ACL) definition of an invited sale would change, so that a sale is only considered solicited where specific, time-bound consent was given beforehand. Consumers should know and control how their data is used, including for marketing purposes. When collecting personal details, businesses must be required to clearly disclose all commercial relationships and identify every party who may contact the consumer.

V. Ban lead generation in high-risk sectors, UTP in financial services

In addition to capturing lead generation under the UTP, we consider it necessary to introduce a complete ban on businesses buying and using leads in sectors with potential for significant or systemic consumer harm. This could be based on financial risk (such as in superannuation), or physical risk (as with the potential fire risk linked to lithium-ion batteries). Given multiple instances of problematic lead generation around government-funded programs, prohibiting lead generation activity targeting compensation schemes or government rebates would also be a highly effective measure to prevent significant harm, including to very vulnerable consumers.

Further information

A public version of our designated complaint is available [on our website](#).