



Direct Selling Association of New Zealand Code of Practice Annual Report – 2009-10

Code Background

In December of 1997 the Direct Selling Association of New Zealand (DSANZ) undertook the signing of our voluntary code of Practice with the Minister of Consumer Affairs setting in place a compliance requirement for DSANZ members and an Annual Report for the Calendar Year. The Code was reviewed during the 2001 year and modified to include an anti-enticement clause and an extra territorial clause along with some minor amendments. This was ratified early in 2002.

The last review was completed in May 2009 with changes recommended required under the World Federation Code of Practice model wording and minor fixes to terminology.

This report tables the performance of the Code of Practice for the 2009 calendar year as prepared and to be presented at the Annual General meeting of the DSANZ on 17 June 2010.

Complaints

Total Complaints received - 10 (Ten)

Member complaints - Consumers (3) Three

Only three member complaints from consumers were received.

A complaint was received regarding a door to door sale of a vacuum cleaner. There was no breach of the code or aligned legislation within the actions of either the salesperson or the company however a full refund was initiated by the company as a gesture of good faith.

One complaint was received about non delivery of a product which was resolved by immediate delivery once the complaint was advised to the member company. Poor communication was the cause and no deliberate breach of the code was found. The company organised to also provide a bonus gift to the consumer and the distributor involved was instructed on the correct procedures.

One complaint was related to the delivery of catalogues to an address when this was specifically advised to the distributor as not acceptable. The company has undertaken to ensure the address is clearly not to receive future catalogues. This was not a breach of the code however it was expected that companies would have systems to ensure such circumstances were addressed.

Member complaints - Distributors/agents (0) Zero

No complaints were received by distributors or agents in respect of member companies.

Member complaints – Member to Member (0) Zero

No complaints were received from members relating to other members actions under the code.

Non - Member Complaints – Seven (7)

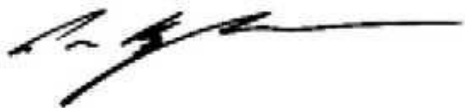
The DSANZ received seven (7) complaints regarding non-member companies/organisations/individuals.

All complaints related to door to door sales activities. Most related to large ticket sales with 4 of the complaints relating to one company. Had this company been a DSA member none of the complaints received would have breached the code however the practices may have been borderline.

The other three complaints relate to sales by mobile shops with two related to refunds of over payments and one of non supply. Advice was given to the consumers of actions to ensure the refunds and in the case of non supply a letter was sent to outline the breach of the Fair Trading Act if supply was not made following payment. All three of these complaints had been generated through citizens advice offices and the advice was also given to the staff at those offices.

An assessment of the total dollars involved is

Member Companies -	\$ 4,500
Non-member companies/organisations/individuals	\$ 12,000 (excluding pyramid schemes)



Signed:
Executive Director
17 June 2010