



# Direct Selling Association of New Zealand Code of Practice Annual Report – 2015-16

## 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. A full stakeholder consultation was notified ahead of the 2009 changes.

A further technical change was initiated in 2014 to ensure the code did not offer less than the Fair Trading Act for cancellation regardless of public holidays timing.

This report tables the performance of the Code of Practice for the 2015 calendar year as prepared and presented at the Annual General meeting of the DSANZ on 19 May 2016.

## Complaints

**Total Complaints received - 5 (Five)**

**Member complaints - Consumers (0) Zero**

We are pleased to state that we received no member complaints over the 2015 year from consumers

**Member complaints - Distributors/agents (2) Two**

We received 2 complaints around members from distributors however both related to non-code issues of a purely commercial nature. In the first case it was related to products being discounted for sale on-line for old stock which it was felt was not acceptable. There is no provision in the Code that requires member companies to only sell through distributors as this is a commercial matter.

The second case was related to a distributor using non approved materials that the company felt was harmful and being asked to remove it from online references. This is a commercial issue and not covered by the code.

## Member complaints – Member to Member (0) Zero

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

## Non - Member Complaints – Three (3)

The DSANZ received Three (3) complaints regarding non-member companies/organisations/individuals.

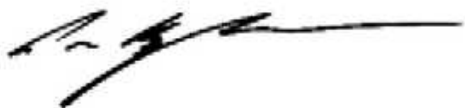
One complaint was related to the received product not being the product sold and in fact being a second hand item. The company was written to advising of the likely breach of the Fair Trading Act and a copy sent to the Commerce Commission. The company was subsequently prosecuted by the Commerce Commission due to other complaints already on file.

The second complaint was about failure to stop automatic deductions when the purchases were completed and then failing to refund when the customer requested the money back. The customers were advised what actions they could take and how to advise the company about its obligations under the Fair Trading Act. This was resolved through a refund after a letter was written to the company involved.

The last complaint was related to goods on a layby purchase system where the consumer wished to cancel. The company was written to by the DSA explaining the layby rules under the Fair Trading Act and requesting they allow the customer to cancel as established in law. A copy of the letter was sent to the Commerce Commission and a prosecution was undertaken based on existing complaints. The company ceased trading at the time of the prosecution.

## An assessment of the total dollars involved is

Member Companies -	\$ 0
Non-member companies/organisations/individuals	\$ 2,000 (excluding pyramid schemes)



Signed:  
Executive Director  
19 May 2016