



# Direct Selling Association of New Zealand Code of Practice Annual Report – 2008-9

## 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 October 2005 with no changes recommended and the next review has been drafted for ratification at this Annual General Meeting picking up changes required under the World Federation Code of Practice model wording.

This report tables the performance of the Code of Practice for the 2007 calendar year as prepared and to be presented at the Annual General meeting of the DSANZ on 1 May 2009.

## Complaints

**Total Complaints received - 8 (Eight)**

### Member complaints - Consumers (1) One

A complaint was received regarding a door to door sale however the situation clearly showed that the complaint was outside of the code coverage and that no breach of the code had occurred. The complaint wished to cancel a sale made over 18 months earlier but had not initiated that wish until 8 months after the sale had occurred and in the meantime had used the equipment for the purpose it was intended. Once the intended user was deceased the attempt was then made to cancel the agreement and obtain a refund.

There was no breach of the code or aligned legislation within the actions of either the salesperson or the company although response times had been poor.

### Member complaints - Distributors/agents (1) One

A complaint was received however the complaint focused on the compensation plan offered by the company and the company right to not renew a distributor. Neither issue is covered by the code and therefore the complaint was not accepted for further action.

### Member complaints – Member to Member (1) One

The DSA received one member to member complaint which related to systematic enticement. The DSA offered mediation to both parties to resolve the issue and avoid litigation between the parties. The mediation process had achieved agreement however subsequently both parties disagreed on the level of the actions agreed and what real damage may have occurred. The action did not proceed beyond this point.

### **Non - Member Complaints - Five (5)**

The DSANZ received seven (5) complaints regarding non-member companies/organisations/individuals.

All complaints related to door to door sales activities. In at least 1 complaint a breach of the Fair Trading Act was likely and the consumers in these cases were advised on what actions they could undertake. 3 complaints were via Citizens Advice centres and advice was given on how responses should be pursued.

One complaint involved a company that had ceased to trade and had not supplied goods ordered. The DSA attempted to write to this company however all mail was returned and no alternate contact address could be found to further pursue the issue.

### **An assessment of the total dollars involved is**

Member Companies -	\$ 12000
Non-member companies/organisations/individuals	\$ 8,000 (excluding pyramid schemes)

Signed: \_\_\_\_\_  
Executive Director  
1 May 2009