

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

2016 - 2017

Division/Agency: Australian Competition and Consumer Commission

Question No: 120

Topic: Vulnerable and Disadvantaged Consumers – Including Older Consumers and Consumers who are Newly Arrived in Australia

Reference: Written

Senator: Ketter, Chris

Question:

- 1) How does the ACCC class or define vulnerable and disadvantaged consumers? Has this classification changed over the last few years? Do you do any market research, or gain any consultancy work to establish these categories?
- 2) What particular issues has the ACCC seen in relation to older consumers? Is there hard selling/deceptive practices going on in relation to mobiles and the internet? Or in terms of life insurance products? What statistics does the ACCC keep in relation to this issue?
- 3) What particular issues has the ACCC been enforcing/compliance in relation to newly arrived consumers in Australia? What statistics does the ACCC keep in relation to this issue?

Answer:

- 1) The ACCC considers a disadvantaged or vulnerable consumer as a person who is capable of readily or quickly suffering detriment in the process of consumption. A susceptibility to detriment may arise from:
 - the characteristics of the market for a particular product or service
 - the qualities of the product or service
 - the nature of the transaction
 - the individual's attributes and circumstances

Some factors that may affect a consumer's decision-making ability and/or ability to pursue redress from suppliers includes a physical or intellectual disability, non-English speaking background, poor literacy skills, age, and mental illness. It is also recognised that Aboriginal or Torres Strait Islander people can be considered vulnerable in many circumstances.

The ACCC has established this approach in consultation with other Australian Consumer Law Regulators.

- 2) Under the the ACCC's Compliance and Enforcement Priorities for 2016, the ACCC is prioritising activities impacting on vulnerable and disadvantaged consumers, with a particular focus on older consumers and consumers who have newly arrived in Australia.

The ACCC has seen a number of issues in relation to older consumers. We have received a significant number of complaints concerning the use of high-pressure sales tactics in relation to unsolicited consumer agreements through both door-to-door and telemarketing. This was particularly in relation to scams, the sale of energy products, therapeutic furniture/products and telecommunications services.

Life insurance products are classified as a financial product, as such questions regarding life insurance should be directed to the Australian Securities and Investments Commission.

In the 2015-16 financial year, the ACCC received 27 804 contacts that were recorded as being from elderly consumers.

- 3) The ACCC has seen a number of issues in relation to newly arrived consumers in Australia. The areas of complaint are high-pressure sales tactics in relation to unsolicited consumer agreements through both door-to-door and telemarketing, issues with car dealers, educational and vocational courses, issues with businesses misrepresenting they can provide visas or obtain permanent residency for a consumer, and issues with tradespeople.

The ACCC keeps statistics based on consumers who identified English as a Second Language. In the 2015-16 financial year, the ACCC received 3 232 contacts that were recorded as being received from this category of consumers.