Australian Consumer Law: a guide for RTO’s
Presented by NSW Fair Trading

A ‘free’ gift could cost you thousands

Before you sign up for a training course know your rights

Don’t be scammed by ‘free’ offers
What does ACL cover?

• Goods or services
• Up to $40000
• For personal, domestic or household use
• Including car or trailers over $40000
What are the Consumer Guarantees on goods and services?

- Match description
- Fit for any disclosed purpose
- Acceptable Quality
- Express Warranties
- Due Care and Skill
- Services must be supplied in a reasonable time
Rights and Remedies

Major problems – consumers choice

- Refund
- Replacement
- Cancel the service contract or keep the contract & negotiate a reduced price

Minor problems – suppliers choice

- Refund
- Replacement
- Repair & claiming reasonable costs
- Reimbursing out of pocket expenses for a replacement found elsewhere
Education & Training Complaints

• Increasing complaint numbers
  (all numbers are for previous 12 month period)

• High average value – over $4,500 in NSW
Consumers being targeted

- Culturally and linguistically diverse
- Indigenous
- People with a Disability
- Elderly
- Young
- Low-income
- Low-literacy
Case Study

- Individual with intellectual disability and autism
- Recruited outside Centrelink
- Informed of his disabilities – no reasonable adjustments
- Sold second course with free laptop & $18000 debt
- Autistic brother targeted through job website

Source: abc.net.au
Compliance – Key ACL concepts

• Misleading, deceptive & unconscionable conduct

• ‘Unsolicited’ sales

• Unfair contract terms

• Consumer guarantees
Compliance – Regulator activities

- ACL Regulators – investigations and Federal Court proceedings; consumer/trader education
- ASQA – auditing RTOs, including VET Fee-Help providers, cancelling some registrations
- Commonwealth Dept of Education & Training – revoking approvals and ongoing reforms
Ethical marketing

• Provide info about all costs, payment methods and cancellation rights

• Assess students’ particular needs & follow through with support

• No incentives for VET FEE-HELP courses

• LLN assessments for VET FEE-HELP courses
Cancellations

Cancellation – Verbal or written

Change of Mind?

Refunds / reversing VET Fee - Help
Customer Service

• Poor sales methods will affect your business reputation

• Building quality customer relationships

• The effect of poor customer service

• The good news
Do you have a customer feedback & complaint system?

• Helps you improve & build your business.
• Increased customer loyalty.
• Reduced marketing costs.
• Stronger position in the marketplace.
• Offers a competitive advantage.
• Increased profits.
Do you know how to handle complaints?

- Make time to deal with complaints when they are first made
- Have a positive approach to the customer
- Listen, be empathetic and calm
- Identify the problem
- Ring Fair Trading for information on your rights and responsibilities
Do you know how to handle complaints? (cont)

• Decide what can be done – be honest
• Keep a record
• Develop & maintain a complaints handling system
• If you have staff, let them know what your complaint handling procedure is
What happens when Fair Trading receives a complaint?

• Discuss with both parties

• Negotiate a solution

• Offer alternative dispute resolution options

• Detect & report breaches of legislation
Some useful resources


Subscribe to: smallbusinessinfo@accc.gov.au
What else does NSW Fair Trading do?

Provides information and assistance about:

- Buying goods & services
- Complaint resolution & compliance
- How to avoid Scams
- Renting a home
- Buying & selling your home
- Strata living
- Retirement villages
- Residential park living
- Home building & renovations
- Buying a car
- Product safety
- Associations & Cooperatives
- Funerals
- NSW Civil and Administrative Tribunal
Contacts

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- Fair Trading YouTube Channel – 30+ Videos
- Fair Trading Twitter, Newsfeeds and Facebook
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