



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

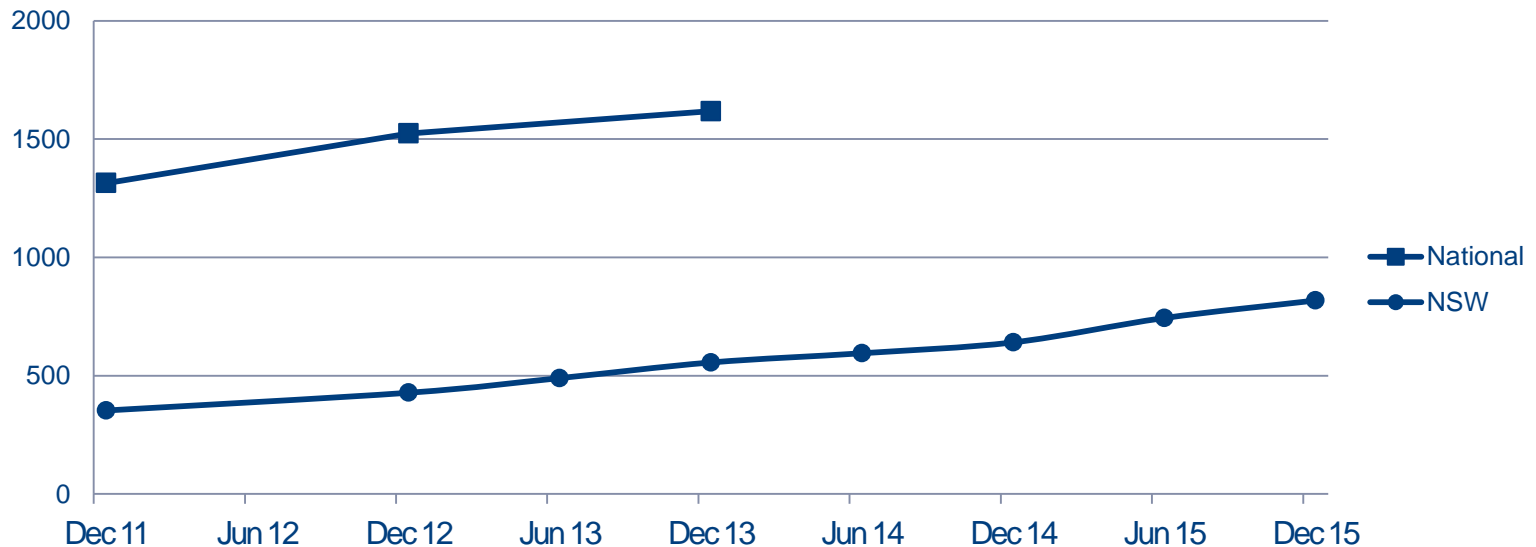
Minor problems – suppliers choice

- 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



Fair
Trading

Supporting local communities



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)

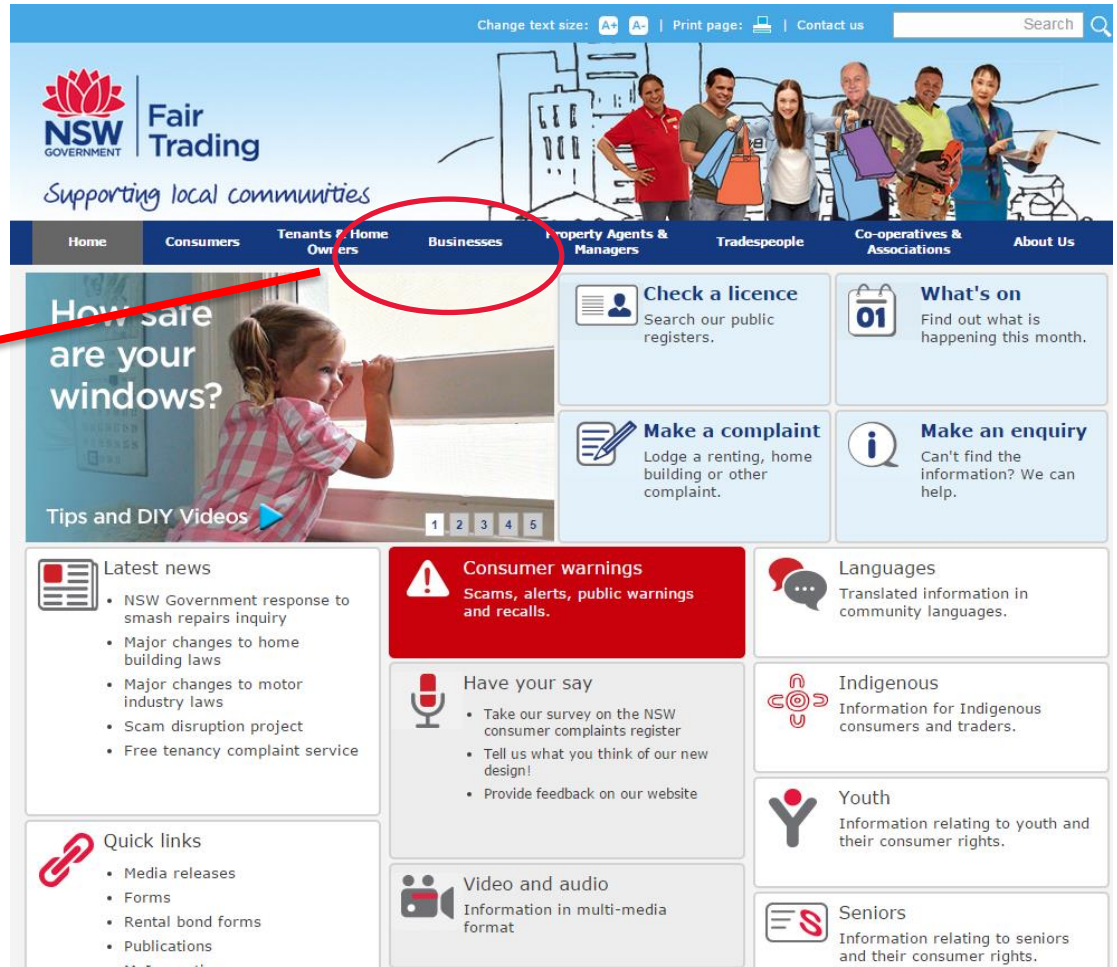
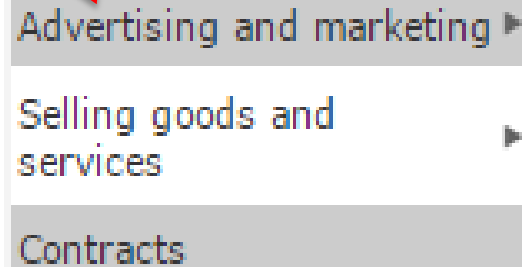
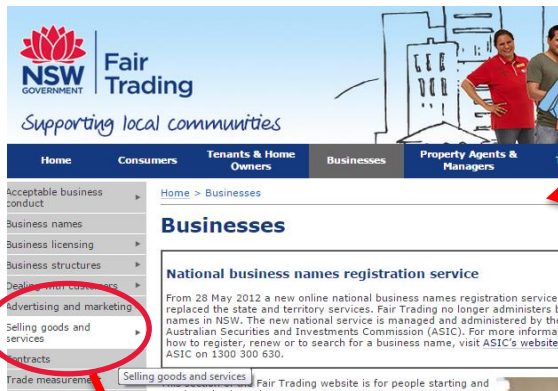
- Decide what can be done – be honest
- Keep a record
- Develop & maintain a complaints handling system
- If you have staff, let them know what your complaint handling procedure is





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

+
Small Business
Complaints
Toolkit



<http://socap.org.au/small-business-complaints-toolkit/>

Subscribe to: smallbusinessinfo@acc.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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