

Crack down on heavy-handed operators



Unscrupulous operators continue to target some of the hardest working members of Australian society in their attempts to make a quick buck.



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The ACCC has recently intervened to protect senior citizens and those from non-English speaking backgrounds from exploitation at the hands of pressure salespeople and pushy landlords.

In June, adjustable bed-seller Craftmatic Australia agreed to declarations and injunctions in the Federal Court for acting unfairly when dealing with senior citizens.

Craftmatic targeted potential customers who were 55 years and older. After convincing potential customers to allow a salesperson to come to their homes on the chance of winning a free bed, residents were subjected to a sales pitch lasting up to three hours. They were asked a series of questions about their health in order to have an appropriate model of bed recommended, despite sales representatives not having any training about various medical conditions. The company also had only one model of bed, which it offered to every customer.

Sales staff were taught a number of tricks to close the sale, such as telling the customer that every discount offered was only available that day. Some beds were sold for more than \$10 000, with many customers purchasing the beds on credit because they could not afford them by other means. Many sales representatives would not take ‘No’ for an

answer and some customers agreed to buy the bed because they thought that this was the only way to get the sales representative out of their home.

The court found the company had misled customers. Craftmatic is now required to provide new prospective customers with extra details about their rights. The company also has to contact previous customers and advise them of the court’s findings.

In a separate matter, a Melbourne food court landlord, Dukemaster Pty Ltd, was ordered to compensate four takeaway food businesses for unfairly pressuring them and taking advantage of the tenants’ poor English skills.

The court heard some of the takeaway businesses were told they would need to pay rent increases of up to 78 per cent and that Dukemaster used its strong bargaining position to bully the tenants into accepting its terms.

The landlord also told the tenants that it believed the rent increases were very reasonable and below market value when that was not the case.

Taking advantage of customers’ language difficulties or grinding them down with unrelenting pressure sales techniques is not only morally repugnant, it is also illegal.

Unfortunately some operators continue to target particular segments of the community they see as soft targets, while others seek to take advantage of the perceived vulnerabilities of businesses or customers they regularly deal with.

The Trade Practices Act prohibits harassment, coercion and a range of misleading behaviour. Where these behaviours are discovered, the ACCC will continue to take action against the perpetrators to protect both small businesses and consumers, who deserve better treatment from the businesses they deal with.