

Unwelcome sellers and mobile traders

Know what to look for if someone tries to sell you something you did not ask for, and if you buy from mobile traders.



Sales you did not ask for

A sale you did not ask for is when:

- someone sells you products or services for personal use that cost over \$100 each
- you did not ask the seller to contact you about that sale.
- the sale takes place at your home or workplace, or by phone

The fact that you did not invite the sale is important. It means all these situations below are examples of sales you did not ask for, also known as uninvited direct sales:

- A seller tries to sell you something using contact details you gave them for another reason. For example, for a competition.
- A seller knocks on your door to sell you something.
- A seller contacts you when you did not ask them to, then tries to sell you something when you contact them back. For example, if you return a missed call.
- A seller puts a brochure in your letterbox.
- A seller sends you a quote when you did not ask them to, and you discuss the quote with them.
- A TV infomercial advertises something and gives a phone number to order it.

If you renew a service with the same supplier on the same terms, or similar terms, that is not an uninvited sale.

Know what the seller must do

If you pay for the product or service in full, the seller must give you a receipt. If you pay in instalments, they must give you a contract.

Give you a contract if you pay in instalments

The seller must give you a copy of the contract. (A contract may also be called a sales agreement.) If you agree on the phone to buy something, the seller must give you a written contract within 5 working days.

Contracts must:

- be clear and easy to understand
- describe the product or service
- show your name and the seller's name
- show your contact details and the seller's contact details
- describe your right to cancel
- show the total price or explain how it will be calculated.

If the contract does not do these things, the contract is not valid.

You do not need to sign a contract immediately. You can take time to think about it or talk to someone.

Tell you how you can cancel the contract

The seller must tell you that you can cancel the contract within 5 working days. They must also tell you how to cancel.

Cancel agreements if you change your mind

You can cancel the agreement:

- within 5 working days if you change your mind
- any time if the seller does not do what they said.

You can cancel by phone, email or any way that clearly shows you want to cancel.

Protect yourself

You can take steps to protect yourself if you buy, and if you do not want uninvited sales.

Make sure everything is clear

If you buy something in an uninvited sale, be careful.

- Record the date and time you buy. Keep any confirmation of your order.
- Pay by credit card. This way, you can ask your bank to help you get your money back if you have problems.
- Make sure the terms and conditions are clear. For example, the price, delivery costs, delivery date, returns and warranties.

Stop unwanted calls and mail

Put your name on the 'Do not call' and 'Do not mail' registers if you do not want marketing calls and mail. Doing this will reduce uninvited sales. This is a free service by the Marketing Association. It takes a month.

Visit www.marketing.org.nz/do-not-call-mail

Know your rights

If you buy from a New Zealand company, the Fair Trading Act and the Consumer Guarantees Act protect you. You have the same rights as when you buy from a retail shop.

You have rights if:

- products or services do not work or do not match their description
- products or services are late
- products are lost or damaged before they arrive
- delivery costs more than the seller said
- sales practices are unfair.

You do not have to buy anything you do not want. You can ask the seller to leave you alone. If you want time to think or talk to someone, you can tell the seller you will call them back when you're ready.

Return products and get your money back if you cancel

If you cancel, you can get your money back. The seller must collect the product within 10 working days after you say you want to cancel.

You must:

- let the seller take the product from your address at a reasonable time of day
- take reasonable care of the products, otherwise you may have to pay for loss or damage.

If they do not collect the product within 10 working days, you can keep it for free. You can also keep it if you were not told about your rights at the time of delivery.

But you cannot keep the product for free if you know it's not for you. For example, if it's addressed to someone else. You cannot keep the product if you were unreasonable letting the seller collect it.

Do not pay for things you did not agree to

The seller cannot invoice you for something you have not agreed to. If you did not want it, you do not have to pay, even if you do not say you do not want it.

Likewise, if the seller provides a service you did not want, you do not have to pay for it.

Mobile traders — sellers with no retail shops

Mobile traders are sellers with no retail shops. They may have trucks or make door-to-door sales. They may also sell on websites or Facebook pages.

Some mobile traders mainly operate in low-income areas. They sell on credit, layby or other 'buy now, pay later' terms. These can be expensive ways to buy.

Know what the seller must do

Mobile traders must:

- check that the payment plan, loan or credit meets your needs
- make sure you can afford repayments
- limit interest and fees
- give you a contract.

See 'Give you a contract' and 'Tell you how you can cancel the contract' on page 3.

'Limit interest and fees' means many things, including:

- Mobile traders cannot ask you to pay back more than twice the cost of your product or service
- Mobile traders cannot charge you more than \$30 for missed payments.

If a mobile trader does not do what they must do, you can ask them to change or cancel your contract.



Always check the real cost before you buy. What will the total of your payments be?

If you're not sure whether buy now, pay later is right for you, talk to a budget advisor.

Mobile traders

Know your rights

If you buy from a New Zealand company, you are protected by the Fair Trading Act, the Consumer Guarantees Act, and the Credit Contracts and Consumer Finance Act. You have the same rights as when you buy from a retail shop.

You have rights if:

- products or services are faulty or do not match their description
- products or services are late
- products are lost or damaged before they arrive
- delivery costs more than the seller said
- sales practices are unfair.

If you enter into a consumer credit contract, you are protected by the Credit Contracts and Consumer Finance Act.

Get full information

You have the right to be informed and to change your mind.

- You can find out all important information before you sign a contract. For example, what the total interest is, how to cancel and how to take a break from payments if you need to.
- You can cancel the contract within 5 working days. This means you pay the full amount now instead of over time. It does not mean you return the products.

Protect yourself

Check the total cost

Find out the total cost. The weekly or monthly payments might be low, but the total cost might be much higher than in a retail shop. This can happen even if the seller says they do not charge interest.

Check what the fees are. For example, fees for set-up, late payments, and early repayments.

If you cannot afford the payments, do not buy.

Check your direct debit form

Check that the start and stop dates on your direct debit form are correct.

Sign only one direct debit form.

Know the risks

Buying from mobile traders has common risks.

Higher costs

- Prices that are higher than in retail shops
- Extra charges, like fees for set-up, and for missed or cancelled payments
- Direct debits that continue after the products are paid off

Unclear information

- Forms that are hard to understand
- Incomplete information, for example about fees, total price, when payments start or end, and how much you still have to pay

Other problems

- Terms that are unfair
- Products or services of low quality
- Traders who are hard to contact because they have no fixed address

Get help if you need it

Citizens Advice Bureau (CAB)

A free, independent service run by volunteers. They can advise you on your consumer rights and obligations in person, by phone or online.

Phone **0800 FOR CAB**
(0800 367 222)

Visit www.cab.org.nz

Community Law Centre

Free one-on-one legal advice to people with limited finances.

Visit www.communitylaw.org.nz

MoneyTalks

A free, confidential budgeting service.

Phone **0800 0800 345 123**

Visit www.moneytalks.co.nz



Consumer Protection

Ministry of Business, Innovation and Employment

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