

MEDIA RELEASE

Acting Commissioner of Consumer Affairs

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Group Buying Complaints Drop as Regulators Act

Group buying complaints have almost halved since Australia's consumer regulators started a national project to tackle issues in the emerging sector.

Also known as 'daily deals' or 'deals of the day', group buying businesses sell online vouchers or coupons for goods and services with big discounts. In some cases, they offer the vouchers on the condition that a minimum number of buyers take up the deal.

Nationally, complaints about group buying have dropped from more than 800 cases in May 2012, to about half that number in September, according to the acting Commissioner of Consumer Affairs, Sandra Otto.

"Australian Consumer Law regulators have worked closely with group buying companies and industry associations to improve practices in the sector and to reduce consumer and business detriment," Ms Otto said.

"Ongoing engagement with particular companies has contributed to the sustained drop in complaints – along with changes in the market, which is consolidating. It's heartening that all major group-buying traders have shown significant improvement over the course of this project. Improvements included better complaint handling practices, taking responsibility for problems, and an industry-wide effort to self-regulate. But regulators believe there is more that can be achieved," Ms Otto said.

Some group buying businesses continue to feature prominently in complaints to some Australian Consumer Law regulators. Regulators are taking a special interest in those businesses.

"We will continue to monitor the industry's compliance and will not hesitate to take action when necessary," Ms Otto said.

Under the Group Buying National Project, regulators across Australia are sharing intelligence and resources to ensure a co-ordinated and consistent approach when resolving group-buying disputes.

In addition to engaging with specific businesses, regulators developed educational resources for the industry to encourage compliance with the Australian Consumer Law. They also worked with the Association for Data-Driven Marketing and Advertising to improve the *Australian Group Buying Code of Conduct* and the *Group Buying Merchant Guide*.

Background: the Australian Consumer Law

Under the Australian Consumer Law (ACL), which came into effect on 1 January 2011, consumers have the same protections and businesses have the same obligations and responsibilities across Australia.

Australian courts and tribunals (including those of the states and territories) can enforce the ACL. The regulators of this law include each state and territory consumer protection agency, the Australian Competition and Consumer Commission (ACCC) and the Australian Securities and Investments Commission (ASIC).

Consumers who require any further information should contact Consumer Affairs on 1800 019 319 or email consumer@nt.gov.au.