

Friday 25 May 2018

Complaints Register Guidelines Review

NSW Fair Trading

Email: complaintsregister@finance.nsw.gov.au

RE: Review of the Complaints Register Guidelines

I write regarding the review of the Complaints Register Guidelines. CHOICE strongly supports the continuation of the Complaints Register, and appreciates the opportunity to provide feedback on the specific information published on it.

The Complaints Register was developed to publish information about individual traders who are the subject of a high number of complaints and empower consumers to make informed decisions about where to buy goods and services.

CHOICE believes the Complaints Register has been successful in its aims to date, although we welcome any opportunity to make it even more useful. Providing consumers with relevant, accessible information about the products they consume and the ways in which they do so improves both the individual consumer experience and the overall competitiveness of the marketplace by encouraging traders to improve their practices. We support complaints data sharing by all consumer regulators for these reasons and encourage other regulators to prioritise the implementation of public complaints registers.

Information appearing on the Complaints Register

NSW Fair Trading should endeavour to release as much information as possible, provided it remains useful for consumers and is not presented in a way that is overwhelming or counter-productive. The Complaints Register currently includes information about the trader, the business location, the product or service complained about and the volume of complaints received. The Complaints Register would be more useful for consumers if it also included information about the problem or practice complained about. For instance, rather than logging a problem with a real estate agent as 'tenancy', it would be useful to know if this was a bond dispute or a complaint about repairs. If a complaint is logged regarding the purchase of a laptop, is the problem that the laptop has become faulty, or was the product never delivered? This contextual information would assist consumers in making more informed decisions. This

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information could be provided through either more detailed categorisation of complaints, or through short complaint summaries.

Complaint outcomes

In addition to publishing more information about the nature of complaints, CHOICE strongly supports publication of complaint outcomes where available, although we do recognise that NSW Fair Trading does not always have this information. Without knowledge of how complaints are resolved, consumers are presented with an incomplete picture. The United States Consumer Financial Protection Bureau provides a model for publishing complaints data with outcome summaries in a searchable database.¹

How often the Complaints Register should be updated

CHOICE originally supported an approach of updating the Complaints Register on a quarterly basis, to align with existing NSW Fair Trading reporting periods for disciplinary and enforcement action. We have no concerns with the current monthly updates, and agree that the Complaints Register provides a stronger incentive for businesses to improve their practices if it is regularly and consistently updated.

How long the Complaints Register data should remain publicly accessible

Register data is currently available for 24 months, but CHOICE prefers that this data remain available indefinitely. This is consistent with the approach of other complaints gathering organisations, including ombudsmen organisations, and would provide a long-term data set to identify systemic issues as well as areas where companies have improved.

Franchises, chains and corporate groups

CHOICE supports the current approach to publishing complaints made about franchisees, where complaints about the franchise brand as a whole are provided as an aggregate number, but consumers can click through to see a breakdown of complaint numbers by franchisee location. Consumers, when engaging with a particular franchisee, tend to perceive themselves as dealing with the overall brand. However, complaints made about specific franchisees should remain available to allow third parties, including other franchisees who

¹ See <http://www.consumerfinance.gov/complaintdatabase/>

have a stake in the reputation of their brand, to identify problem traders. Reporting complaints in this way will limit consumer confusion, and may also encourage franchisors to investigate systemic issues in their franchisee stores and provide support for underperforming stores.

For further information please contact CHOICE on sagar@choice.com.au. We note that Consumer Action Law Centre supports the comments and recommendations made above.

Yours sincerely,



Sarah Agar

Head of Campaigns and Policy, CHOICE



Gerard Brody

Chief Executive Officer, Consumer Action
Law Centre