



## **Member compliance**

In this first year of monitoring members' compliance with the Scheme, the Commission chiefly relied on members' self-assessment against the Scheme requirements and the, now regular, mystery shopper survey of call centres (see page 14 of the Annual Report).

The Commissioner also reviewed member websites and terms and conditions for compliance with the Scheme requirements, and monitored information being added to invoices and information for land owners and land occupiers.

## **Members' self-assessment of compliance**

The Commission asked members to assess themselves on compliance with the Scheme and report the results to the Commission by 14 February 2011. All members completed the self-assessment, but only 45% of members filed the report by the due date.

Analysis of the self-assessments and supporting documentation took significantly longer than anticipated. Responses and any supporting documentation were evaluated, and detailed feedback is being given to members to help improve compliance.

Overall, the compliance factor for lines and retail members of the Scheme was high at 81% and 83% respectively. Most members assessed themselves as being largely compliant with the Scheme requirements. Supporting documentation provided with self-assessments did not always provide confirmation of this. Generally, where members identified aspects of non-compliance, they also outlined steps they intended to take to improve their performance.

The lowest score was for compliance with the requirement to provide a complainant with a written acknowledgement of a complaint in two working days (46% retail, 64% lines). Several members commented this requirement does not make sense in situations where the complaint may have been resolved immediately. One company commented in those circumstances they comply with the requirement by sending a letter which both acknowledges the complaint and confirms the resolution.

Some retailers reported poor compliance with the requirements for information about complaint handling in interposed contracts. The requirements are prescriptive and if followed to the letter, would not be meaningful to consumers. One retailer complied with the intent of the requirements (ensuring complaints reach the correct company as quickly as possible) in simple and understandable language. The Commissioner will recommend to the independent reviewer of the Scheme that this approach be adopted in the Code of Conduct for Complaint Handling.

The Scheme will be independently reviewed in 2011-12 and the Board is asking the reviewer to consider whether changes are needed to the Code of Conduct for Complaint Handling. The reviewer will be specifically asked to consider the two matters discussed above – the requirement for written acknowledgement of complaints within two working days, and requirements for information about complaints in interposed contracts.

Less than half (48%) of lines companies reported they had information about the Scheme on materials published for land owners and land occupiers. This has been a Scheme requirement since 1 April 2010 and it is disappointing to see this level of compliance.

All retailers now have information about their complaint handling process and about the Scheme on invoices. Some retailers took up to eight months to comply with the requirement to have information on invoices.

Only 60% of companies reported they paid their levies within the timeframe set by the Scheme. The Corporate Services Manager will continue to monitor this closely in 2011-12.

### **Reviews of websites, terms and conditions and other information**

The Commissioner's office reviewed websites, terms and conditions and information on invoices and information for land owners and land occupiers.

Members responded quickly to feedback about content on their websites, making quick changes to comply with the Scheme requirements.

The Commissioner worked with members to ensure information on invoices and on publications for land owners and land occupiers complied with the Scheme requirements. Although the process has been slower than the Commission would have liked, where information is included, it is compliant with the Scheme requirements. The Scheme requires members to include advice that the member has a free internal complaints process (with contact information) and information about the existence, nature of, and contact details for the Scheme.

Information from the review of members' terms and conditions was used in evaluating members' self-assessment reports, and feedback given on any non-compliance.

### **Reporting of breaches**

The Scheme document requires the Commission to report all breaches of the Scheme rules to the Minister of Consumer Affairs. As this is the first year in which member compliance has been monitored and members have not had the benefit of feedback on their compliance, the Commission has provided only a summary document to the Minister.

The Commission is also required to report on member breaches in the Scheme's Annual Report, but has the discretion not to name members where the breach is technical or insignificant. Again, as this is the first year in which member compliance has been monitored, the Commission is not naming any members in the Annual Report.