

Media Release

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NATIONAL EFFORT REDUCES GROUP BUYING COMPLAINTS

South Australian complaints against group buying websites have more than halved following a national project to tackle issues in the emerging sector.

Consumer Affairs Commissioner, Paul White, welcomed the news today.

“Also known as ‘daily deals’ or ‘deal 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,” Mr White said.

“Consumer protection regulators have been concerned about the number of complaints from consumers who have not received the goods or services they have paid for, as well as lengthy delays in redeeming the vouchers, and some traders refusing to provide a refund when goods or services have not been delivered.”

The Group Buying National Project, coordinated by consumer protection agencies across Australia, including Consumer and Business Services in SA, has brought about significant improvement in the sector and group buying complaints have halved nationwide.

“Nationally, group buying complaints and enquiries have dropped from more than 800 cases in May 2012, to about half that number in September 2012,” Mr White said.

“That drop is reflected in South Australia, where there were 15 in May 2012 to just four in September 2012.

“I am pleased also that group-buying traders are now using better complaint handling practices and taking responsibility for problems.”

Under the Group Buying National Project, regulators across Australia are sharing intelligence and resources to ensure a coordinated 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*.

“Any South Australian consumers who experience difficulty in redeeming a voucher should immediately contact the group buying website for a refund,” Mr White said.

“If the issue cannot be resolved, consumers should seek advice from Consumer and Business Services.”

South Australian consumers can contact Consumer and Business Services on 131 882 or visit www.cbs.sa.gov.au



Government of South Australia
Attorney-General's Department