



14 May 2014

Rose Wang
Consumer and Competition Policy
Ministry of Business, Innovation and Employment
P O Box 3705
Wellington

By email: consumer@mbie.govt.nz

Submission: Uninvited direct sales – potential exemptions for certain sales of financial products

1. Introduction

1.1 Thank you for the opportunity to make a submission. This submission is from Consumer NZ, New Zealand's leading consumer organisation. It has an acknowledged and respected reputation for independence and fairness as a provider of impartial, and comprehensive consumer information and advice.

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2. General comments

- 2.1 Based on the information provided, Consumer NZ does not consider regulations need to be developed to exempt certain financial products from the uninvited direct sales provisions of the Fair Trading Act.
- 2.2 The nature of a problem that may justify regulations has not been sufficiently established. The discussion paper is extremely brief and we do not consider it provides a robust basis on which to advance regulations.
- 2.3 The paper refers to "practical difficulties" with applying the cooling-off period to some financial products. However, there is no further analysis provided to assess these perceived difficulties and we do not consider the example given provides evidence of a problem.
- 2.4 A key purpose of the uninvited direct sales provisions is to improve consumer protection from high pressure sales tactics. The provisions provide important safeguards for consumers and we do not consider a case has been made for exempting financial products at this time.

Thank you for the opportunity to make a submission. If you require any further information, please do not hesitate to contact me.

Yours sincerely

A handwritten signature in cursive script, appearing to read "Sue Chetwin".

Sue Chetwin
Chief Executive