



Speech by

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Hansard 9 August 2001

INTRODUCTION AGENTS BILL

Mr REEVES (Mansfield—ALP) (4.17 p.m.): It gives me great pleasure to support the Introduction Agents Bill. As was the case with the bill considered by the House earlier today, this bill is a demonstration of this minister and the Office of Fair Trading being the people's friends. This office looks after the weak and vulnerable, and the lonely are sometimes weak and vulnerable.

The Introduction Agents Bill aims to eliminate exploitative and unfair practices from the introduction agency industry. Over the past five years the Office of Fair Trading has received over 500 complaints relating to introduction agents. Over the last eight months there have been a number of complaints. I will outline five of them to the House today.

A senior citizen who had recently lost his lifelong partner contacted a dating service, which initially signed him up for a \$550 package. This included unlimited introduction membership for a six-month period. Before the expiration of the six months he was encouraged by the dating service to upgrade, at a cost of \$450. He was requested to pay the total amount of \$1,000 via his credit card, but he made a mistake with the numbers. Before this error was detected he was given one introduction, which amounted to the phone number of a lady who lived in Perth. The gentleman is a resident of Queensland. He claimed the introduction was unsuitable. In his words, 'She was a party girl who liked to travel. No, thank you. I am a homebody.' After this experience the consumer contacted the trader and wished to withdraw from the agreement and receive a refund. The trader declined and presented to the bank the consumer's credit card details, which were initially honoured by the bank and later became a disputed amount on the consumer's credit card statement. Investigations are still continuing.

In another complaint, a consumer signed for a correspondence package with a dating service which basically involved the consumer choosing from a selection of photos with brief details of Russian women who wished to correspond via the dating service. His letters would be translated into Russian, and letters received would be translated into English. Other services provided included free individual half-hour videoconferencing sessions with three Russian ladies of his choice, and translator if needed, and a five-minute verbal message delivered to one lady of his choice by a Russian translator. This package lasted three months, and the cost to the consumer was \$5,000. It normally retails at \$8,000. So they said, 'Look, we have given you a discount.'

The consumer became suspicious and asked for verification or authentication of the letters that he received or acknowledgment of his letters. The dating service declined to give this information and replied, 'Don't you trust us?' The answer was, 'Probably not', and rightly so. The consumer asked for a refund and was declined. He made a complaint to the Office of Fair Trading, and further negotiations were made between the consumer and the trader. The trader still refused to refund any money. The Office of Fair Trading delivered a notice to the introduction agency requiring proof by 3 p.m. that day. At 4 p.m. that day the trader was offering money for the consumer to withdraw his complaint. These are the types of people who have been running the introduction agencies. And they wonder why we have to have legislation to regulate them.

Mr English: Absolute shonks.

Mr REEVES: That is exactly right. They are shonks. The trader was asked to produce copies of letters translated into Russian that had been written by the consumer. The reply was, 'Our translator left the company and took all the letters with her on her personal laptop.' They did not have copies or know

her whereabouts. When asked what the qualifications of the translator were, they did not know, as they cannot find her to ask her. They claim that they have no record of her qualifications. All they can say is that she is an ex-patriot Russian married to an Australian and fluent in Russian and English. One of the staff said she thought the translator was a teacher in Russia prior to coming to Australia, but she was not sure of these facts. The investigations are still continuing.

In another complaint, a consumer paid in excess of \$50,000 to meet a woman living in his area. He was promised to meet a certain woman, and when he paid the fee he was told the woman was unavailable on the level that he had signed up for. So he could not meet a woman on a \$50,000 level, but they also asked him for \$4,000 to advertise himself with his details. He refused, stating that his contract allowed for \$7,000 in advertising.

In another case, a dating service signed up a person who had brain damage and had to live permanently in a supported hostel. They signed him up for \$1,500. What type of low-lives are these people?

On a number of occasions consumers have complained that they did not sign any authority to deduct money from their credit cards but later found that money had been withdrawn from their credit card by verbal request, the trader claiming that they had a tape recording of the telephone transaction. When the Office of Fair Trading requested a copy of the tape, strangely enough it could not be found.

A common thread in complaints is that the clients receive high-pressure requests to continually upgrade the services they receive; and when they phone to speak with their personal consultant they are unavailable and do not return their calls. On two occasions two separate consumers have stated that when they made a complaint to the trader they received the following reply, 'Well, you should put me over your knee and give me a good spanking.' These are the kinds of people that this legislation is going to outlaw.

Under this bill, an introduction agent is a person or company which operates a business providing names of persons interested in having a personal relationship or attending a social gathering. Excluded are community and non-profit organisations and organisers of other public events such as dances. Introduction agencies will have to be licensed by the Office of Fair Trading.

The bill includes standard powers of investigation and gives the Office of Fair Trading the power to prosecute offences. The act also provides for monetary remedies for the consumers, who can avoid contracts which do not conform with the act's requirements.

I would like to mention a couple of provisions of the bill, including the cooling-off period. All agreements between a client and an introduction agent will have a cooling-off period of three clear business days after the client receives a copy of the signed agreement. During those three business days the client can terminate the contract by notice to the agent. If terminated during the cooling-off period, the introduction agency is entitled to an administration charge, being the lesser of \$50 or 10 per cent of the contract price. If the agreement is terminated during the cooling-off period, the agent must refund to the client all amounts paid to the agent less the administration charge. For a client to receive a different level of service, the client and agent must enter into a new contract.

The general principle of the bill is that if the contract price is \$500 or more the agent cannot accept payment of more than 30 per cent of the contract price before any services are provided. This measure is to counter the practice of an agent insisting upon 100 per cent payment up front and failing to provide any or adequate services.

The bill provides the following monetary thresholds: the contract price is \$500 or less; the contract price and all other amounts payable to the agent in the previous 30 days were \$500 or less; or the contract price and all other amounts payable to the agent in the previous 12 months were \$2,500 or less. The additional two categories are included as anti-avoidance provisions.

The restrictions on prepayment are based on the Victorian legislation, being the only other state with this type of legislation. I will get back to that shortly. Once persistent industry practice in Victoria has been drafting agreements allowing clients to terminate prior to completion; for example, a client wants to enter into a one-year agreement, so the agent convinces him or her to instead enter into a three-year contract for \$3,000. The client will then pay 30 per cent of the price up front—approximately \$1,000. The agreement clearly provides that the client can end the contract after one year at no further cost.

An anti-avoidance provision has been included in the bill in an attempt to plug up this loophole. It provides that where the agreement includes an option to terminate, only the price payable during the time up to when the client can terminate is to be taken into account when determining the 30 per cent figure. If the client chooses not to terminate, then for the purposes of the payment restriction only a new agreement is taken to be on foot; for example, a client enters into a three-year contract for \$3,000 with the option to terminate after one year. The contract price is taken to be \$1,000, and the client pays only 30 per cent of this, so he pays only \$300 up front. If the 30 per cent restriction on prepayment

applies, the balance of the amounts payable under the contract is to be paid by equal instalments over the term of the contract. There is a prohibition on contracting out these provisions.

If an agent breaches the 30 per cent restriction, the client can terminate the agreement by giving the agent notice. The agent must then refund all moneys paid to the agent within 21 days. The agent may have a claim for compensation for reasonable work performed prior to termination. In that case, either the client and the agent can agree on the amount of the compensation to the agent and deduct this from the refund to the client, or the agent can apply to the Magistrates Court for an order that the agent is entitled to compensation.

As I said earlier, Victoria is the only other state that has introduction agency legislation. What Victoria has done is excellent, but some of the sharks who have been working in Victoria have come up to Queensland. For example, I just happened to get a copy of this week's *Inside Football*, the Aussie Rules magazine. Apart from the front cover being wrong when it says 'Swans look the goods'—because there is no doubt the Brisbane Lions will win the premiership this year—the back cover is worse. Here is an advertisement—

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These people have been chucked out of Victoria, and now they are up here. I understand that the Office of Fair Trading is dealing with them over a number of matters at the moment. Three customers are owed about \$40,000 each. These are the type of grubs that we want out of Queensland.

Obviously, this legislation will be mirrored in other jurisdictions throughout the country. That means that these type of people will not only be thrown out of Queensland and Victoria but they will be thrown out of the other states of the country. The minister might want to clarify in her reply whether this legislation covers organisations from, say, New South Wales or South Australia trying to access clients from Queensland. We do not want a situation in which the grubs at TLC Consultancy Services can set up their operations at Tweed Heads so that they can still have access to Queensland clients.

So not only is there rubbish on the front page of *Inside Football* but also there is rubbish on the back page. I think that this magazine deserves better than having in it this type of rubbish as a major advertisement. It does not do the code of Aussie Rules any good to have an organisation such as TLC Consultancy Services advertising its services in a football magazine. I think that the AFL should seriously look at the advertisements that are allowed to be placed in *Inside Football*. However, it is good to see that TLC Consultancy Services have been chucked out of Victoria. Once this legislation is passed, they will also be out of Queensland. I commend the bill to the House.
