

18 July 2023

**Submitted online**

## **Banning telemarketing under the Victorian Energy Upgrades program**

No one should be subject to unwanted high-pressure sales tactics in their own home. Telemarketing and doorknocking should be banned for Victorian Energy Upgrades (VEU) providers.

The VEU program is a targeted and effective program that both reduces Victoria's greenhouse gas emissions and directly assists consumers. Banning VEU providers from using high-risk unsolicited marketing techniques will greatly improve the program for consumers.

The Consumer Policy Research Centre (CPRC) is an independent, not-for-profit consumer research organisation. Our mission is to improve the lives and welfare of consumers by producing evidence-based research that drives policy and practice change.

### **CPRC strongly supports the telemarketing ban**

We see no negative consequences for consumers from a ban on telemarketing. While there is a group of Victorians who are less likely to engage online or proactively seek out information about VEU upgrades, this group can still find out about the VEU program through information provided in public spaces such as in shopping centres. Very vulnerable people who are unlikely to encounter advertising in these public spaces are much better off being supported by government or social services to access a VEU program than face unsolicited and high-pressure sales tactics in their own home.

A telemarketing ban for the VEU program could also help reduce scam losses. While there are harms from legitimate companies using aggressive telemarketing tactics for energy upgrades, there are also scammers calling with illegitimate offers for energy upgrades. It can be very difficult for a consumer to distinguish between legitimate and scam offers. Scams about rebates are among the top ten scams in Australia according to the National Anti-Scam Centre.<sup>1</sup> As well as banning telemarketing for the VEU, the Victorian government should consider releasing public information or education materials to make it clear that someone will never get an unsolicited call about an energy upgrade.

The ban should take effect as quickly as possible, ideally within three months of the decision in line with the doorknocking ban for the Solar Homes program.

### **The ban should cover telemarketing and doorknocking**

Given the harm that can be caused by doorknocking as a sales tactic, we strongly suggest that a ban includes both telemarketing and doorknocking. If doorknocking isn't banned, at minimum stronger protections should be put in place to prevent the most harmful practices, particularly high-pressure sales that target older or more vulnerable Victorians.

If doorknocking remains, there should be clear obligations placed on VEU providers that use doorknocking to prevent harm. This could include:

- a ban on outsourcing doorknocking activities to third-parties to increase business accountability over people conducting the doorknocking
- an independent audit or expert review of VEU provider doorknocking practices at least annually to ensure that providers are not using tactics likely to cause harm, and
- providers giving the ESC further data about the clients they work with, including demographics of clients they sourced through doorknocking to allow the regulator to identify if some companies are exploiting vulnerable groups.

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<sup>1</sup> See <https://www.scamwatch.gov.au/research-and-resources/scam-statistics>

**Reasonable restrictions should be placed on marketing in public areas to prevent high-pressure selling**

High pressure sales tactics can still be used and still cause harm in public places, such as shopping centres. This is recognised, for example, in the ACT's approach to restrictions on high-pressure sales which includes sales in public spaces.<sup>2</sup>

Good practice for marketing in public places should be for VEU providers to give information to consumers but the person should not be asked to share personal information or sign a contract at that point. This will let people take the time to consider if that VEU provider is right for their needs outside of a sales conversation.

**The Victorian Government should consider broader telemarketing and doorknocking bans**

This inquiry rightly recognises that telemarketing and doorknocking cause harm to consumers, particularly older and vulnerable people. These unsolicited marketing tactics should be banned for all private businesses, not just for VEU program providers. The Victorian Government should start a process to ban or even further restrict these harmful unsolicited marketing tactics more broadly to protect all Victorians.

Yours Sincerely

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<sup>2</sup> <https://www.accesscanberra.act.gov.au/s/article/fair-trading-for-consumers-tab-unsolicited-consumer-agreements-door-to-door-sales-and-telemarketing>