

**From:** Ian Jarratt  
**Date:** 15 November 2018 at 10:12:52 am AEDT  
**To:**  
**Cc:**  
**Subject:** gift cards regulations: post-supply fees or charges for disputes

Kate

Thanks for the opportunity on Monday to further discuss allowing in the regulations post-supply fees/charges on consumers for disputing a transaction.

**A mentioned then, and for the reasons given in the CFA and QCA written submissions, we strongly oppose allowing fees/charges for any consumer complaint/dispute with a business.**

**We also strongly oppose allowing fees/charges if the result of the dispute is not in the consumer's favour. Our reasons include:**

1. It is contrary to the general and widely accepted (and legislated) principle of not allowing fees/charges for consumer complaints/disputes.
2. It would act as a disincentive for consumers to make **any type** of complaint.
3. It would create great uncertainty for consumers whether or not they will incur a fee/charge.
4. It would be unfair because with IDR the consumer is completely the hands of the business regarding whether or not the outcome is in the consumer's favour.
5. Determining whether the outcome is or is not in the consumer's favour may in some situations be difficult, will be done only by the business, and may itself become the subject of a complaint/dispute.
5. If the consumer is not satisfied with the outcome of a complaint/dispute there are other avenues to seek redress such as the ACCC, state/territory govt agencies, industry associations, etc so there could be a considerable time before it was known finally whether the complaint/dispute has not been resolved in favour of the consumer.
6. We have major concerns about some practicality and equity issues.
7. Allowing businesses to charge consumers to make a complaint will encourage businesses to regard dispute resolution only as a cost to the business and reduce the incentives for them to provide effective and efficient dispute resolution and to change business practices so as to reduce the incidence and nature of complaints/disputes.

Regarding the latter point, we draw your attention to recent research commissioned by the Society of Consumer Affairs Professional Australia (SOCAP) on the potential for businesses to obtain major returns on investment in effective customer complaints management. A summary and the full report are available here:

<http://socap.org.au/resources/return-on-investment-of-effective-complaints-management/>

Regards

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Australia