Telemarketing Code of Practice

This Code of Practice and Guidelines has been developed by the Marketing Association for the purpose of promoting best practice by those engaged in telephone marketing. It has the full endorsement of the Telecommunications Users Association of New Zealand (TUANZ).

The Code was reviewed and updated on 1 November 2010.

Definitions

1. “Appropriate industry Codes of Practice” includes the Advertising Codes of Practice of the Advertising Standards Authority and all other industry codes endorsed by the New Zealand Marketing Association.

2. “Consumers” are customers or potential customers, whether they are members of the public, organisations or businesses.

3. “Telemarketing” is the practice of communicating via the telephone for the purpose of generating business or enhancing relationships with customers or potential customers.

4. “Telemarketer” is a person engaged in the practice of telemarketing and/or customer service via the telephone.

5. “DNC” is the NZ Marketing Association’s “Do Not Call” Register.

The Code is based on four complementary principles that should be considered collectively. They match the requirements of the Code of Practice for Direct Marketing in New Zealand.

PRINCIPLE 1: Telemarketers must comply with the spirit as well as the wording of the laws of New Zealand and all appropriate industry Codes of Practice.

PRINCIPLE 2: Offers will be clear and truthful and not present a product, service, or offer in such a way that the consumer could be misled.

PRINCIPLE 3: Telemarketers will carry out their business in a way that is socially responsible.

PRINCIPLE 4: Telemarketers will uphold high standards of business practice.
PRINCIPLE 1: Telemarketers must comply with the spirit as well as the wording of the laws of New Zealand and all appropriate industry Codes of Practice.

The Code assumes that organisations already comply with all New Zealand Law, and is written to establish standards of customer service over and above the customer’s legal rights.

COMPLIANCE GUIDE

1(a) Consumer Laws: Organisations involved in telemarketing must comply with Consumer Protection Laws. In particular, the Consumer Guarantees Act 1993, Fair Trading Act 1986, and Door to Door Sales Act 1967, which all include consumer rights provisions.

1(b) Individual Privacy: Telemarketers must be familiar with The Privacy Act 1993 and the 12 Privacy Principles which are the core of this legislation. Telemarketing activities, particularly with regard to the collection and storage of personal data, must comply with the Act. Refer to www.marketing.org.nz for an easy reference guide to implementing the 12 Privacy Principles.

1(c) The Telecommunications Act 2001: The Telecommunications Act prohibits the use of the telephone for the purpose of disturbing, annoying, or irritating any persons, whether by calling up without speech or by wantonly or maliciously transmitting communication or sound, with the intention of offending the recipient. Under the Act it is also an offence when using a telephone to use profane, indecent or obscene language, or make a suggestion of a profane, indecent or obscene nature, with the intention of offending the recipient or to give any fictitious order, instruction or message.

PRINCIPLE 2: Offers will be clear and truthful and not present a product, service, or offer in such a way that the consumer could be misled.

COMPLIANCE GUIDE:

2(a) Identity and purpose: At the commencement of the call, telemarketers must clearly disclose their identity and state the general purpose of their call.

2(b) Selling under the guise of research: Offers or solicitations must not be made in the guise of research or survey when the real purpose is to sell, or to raise funds.

2(c) Organisation’s contact details: The name and telephone number of the organisation on whose behalf calls are made must be available through a recognised Directory Service.

2(d) Duration of survey calls: If the call is a survey, telemarketers must state honestly the expected length of the call.

2(e) Clarity of offer: All offers must be clear, honest and complete so that the recipient of the call is in no doubt as to what is being offered and the commitment involved in placing an order.

2(f) Price comparisons: When price comparisons or price reductions are included, they must be factual and verifiable.
2(g) **Testimonials**: When testimonials are used, they must be current and typical, from bona fide users of the products or services offered, in the possession of the seller or readily accessible.

2(h) ** Guarantees**: When a money-back guarantee, or any other guarantee, is included as part of the offer, the terms of that guarantee must be clearly stated and confirmed in writing as part of any contractual obligation.

2(i) **Bonus items**: When a bonus item is offered conditionally on the purchase of another item, those conditions must be clearly stated and confirmed in writing if requested.

2(j) **Contest rules**: When contests or prizes are used to promote a sale of merchandise, the rules of the contest must be clearly stated. Any such contests must comply with New Zealand law.

**PRINCIPLE 3: Telemarketers will carry out their business in a way that is socially responsible.**

**COMPLIANCE GUIDE :**

3(a) **Hours of calling**: Telephone calls to private homes should only be made between 8.00 am and 9.00 pm, unless the caller is advised that a call at another time would be more convenient and acceptable.

3(b) **Sundays and Public Holidays**: Calls should be avoided on Sundays and public holidays, unless the caller has grounds to believe that the calls will be readily acceptable.

3(c) **Unlisted/unpublished numbers**: Unlisted or unpublished numbers must not be called, unless requested by the subscriber.

3(d) **Opportunity to refuse offer or appointment**: Telemarketers must provide the consumer with a clear opportunity to refuse any appointment or offer. A definite refusal must be accepted and the call ended promptly. Consumers must not be harassed.

3(e) **Offers to minors**: Orders must not knowingly be taken from minors without adult approval. No products may be offered to minors if that offer would be contrary to New Zealand law.

3(f) **Prohibited goods or services**: Telemarketers must not market prohibited goods or services.

3(g) **Removal of name/s from telephoning lists**: If requested to do so, telemarketers must flag the name of any person “Do not call” on their telephoning list and on lists that are offered to other organisations. As far as practicable, such persons should be informed of the existence of the Marketing Association’s DNC Register, and given the opportunity to have their name listed on that Register. In such cases, the telemarketer should direct the person to the Marketing Association’s website – www.marketing.org.nz – where they will find a link to the DNC service.
PRINCIPLE 4: Telemarketers will uphold high standards of business practice.

COMPLIANCE GUIDE:

4(a) Termination of conversation: If a wish to terminate the conversation is expressed by the called party, then the caller should terminate the call as soon as possible.

4(b) Use of Name Removal Register before prospecting: All telemarketers must, before making new solicitations, check the list of people to be called against the Marketing Association’s DNC Register and delete from the call list those people listed on the Register. This requirement does not apply when calling existing members or customers.

4(c) Deception to obtain names: When making prospecting calls, deception must not be used to obtain the names of people to call.

4(d) Workplace contact: Unsolicited approaches by telephone on private business must not be made to people at their place of work without prior permission.

4(e) Means of contacting organisation: All documents confirming a transaction must contain means by which the customers may contact the organisation. A contact telephone number must be given so that any appointment may be altered or cancelled.

4(f) Convenience of call: Telemarketers should ask the recipient if it is a convenient time to call. If it is not, an offer should be made to call back at a more convenient time.

4(g) Substantiation of claims: Telemarketers must be able to substantiate any claims or offers made. Statements which are untrue, misleading, deceptive, fraudulent, or unjustly disparaging of competitors must not be used.

4(h) Statement of terms and conditions: When finalising any agreement, the telemarketer must clearly state the total cost, all terms, conditions and payments plans, plus the amount or existence of any charges such as shipping or handling. These terms must be confirmed in writing if requested.

4(i) Copies of documents: Copies of all relevant documents, agreements, contracts and/or statements of legal rights must be sent promptly to customers.

4(j) Cooling-off period: A seven (7) day “cooling off” period must be allowed following the receipt of any new contract. During this time the agreement may be cancelled by the customer without penalty, and any initial payment or deposit must be refunded promptly and in full. The customer is to be informed of this “cooling off” period, both at the time that the offer is made and in the written contract itself.

4(k) Confirmation of credit card details: If a customer agrees to buy goods and/or services offered by the telemarketer, and authorises the charge to be made on a credit card, and supplies relevant details over the phone, the telemarketer must read back to the customer all relevant details of the credit card, and must be satisfied that the customer understands that the transaction will be charged to the credit card.

4(l) Recording telephone calls: Taping of telephone conversations may only be used to verify the content of the call or for training purposes and quality control. Consumers should be advised when a call is to be recorded to verify the content of the call. Recorded calls may not be played in public without the consent of both parties to the call.
4(m) **Automatic dialling systems**: Automatic dialling systems with a recorded message must only be used as follows:

I. The equipment may only be connected to “business” or “non-residential” lines

II. The equipment shall terminate the call if it is not answered within 90 seconds of transmission of the final digit of the called party’s number

III. The identity of the caller shall be made clear at the beginning of the call

IV. No calls are to be scheduled to be made to emergency services, hospitals or such bodies

V. Equipment shall not be used under any circumstances which constitute a nuisance

4(n) **Disclosure of use of automatic dialling system**: It must be made clear at the beginning of such a call that it is automated, giving the called party the opportunity to terminate it should they wish.

Marketing Association  
P O Box 47681  
Ponsonby  
AUCKLAND  
www.marketing.org.nz  
Tel : 09 361 7762  
Email keith@marketing.org.nz