

Accreditation scheme for direct sellers launched to guide consumers

kellyng@mediacorp.com.sg

Today (Page 28) Published: 4:03 AM, January 9, 2015

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SINGAPORE — A new accreditation scheme open only to companies registered with the Direct Selling Association of Singapore (DSAS) — a 24-member body that promotes ethical and responsible selling — has been launched to steer consumers away from non-member firms, which have accounted for the bulk of an increasing number of complaints.

The CaseTrust-DSAS Joint Accreditation Scheme was launched yesterday following a 78 per cent hike in complaints against the direct selling industry between 2012 and last year. Fourteen DSAS members, including Amway (Singapore), Herbalife International and Nu Skin Enterprises, were yesterday awarded the accreditation.

The Consumers Association of Singapore (CASE) said 91 per cent of the 187 complaints it handled in the past three years involved direct sellers — those that distribute products and services directly to consumers in their homes or workplaces — which were not DSAS members.

Most of the gripes centred on salespeople adopting hard-selling tactics and problems getting refunds, the consumer watchdog said.

“Non-members may not have a proper code of conduct and their standards of practice may fall short of the association’s stringent criteria,” said CASE executive director Seah Seng Choon.

The scheme was first mooted in July 2013, when both associations signed a Memorandum of Understanding to enhance industry professionalism and consumer protection.

Under the scheme, accredited companies must give consumers a cooling-off period of seven working days, during which they can seek full refunds without getting penalised. Companies must produce an order form at the time of sale, clearly stating the direct seller’s contact details, and establish a system capable of handling consumer disputes. Internal assessments of accredited firms are to be conducted every two years, with an external audit to be held every four years to ensure compliance.

While non-accredited DSAS members are also subject to these obligations under the association’s Code of Ethics, the joint accreditation with an independent third-party, such as CaseTrust, would give consumers greater confidence, said CASE president Lim Biow Chuan.

“Consumers will feel more assured (when) there is an independent trust mark auditing how (DSAS members) conduct business ... In the past, DSAS members were only subject to the association’s own code of conduct. Consumers may wonder how assured (they are) that they will be treated fairly and impartially by someone within their own organisation and industry?” said Mr Lim, who is also a Member of Parliament for Mountbatten.

CASE will also offer mediation for disputes arising from transactions with accredited firms, he added.

Consumers TODAY spoke to said the scheme, while providing greater assurance, would not deter them from doing business with non-accredited companies. Said 53-year-old Ong Hock Seng, a regular customer of Nu Skin: “I won’t rule out the possibility if their products are unique.”