

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

20-21 November 2013

Question: SBT 44

Topic: Unfair contract terms in consumer contracts

Written: Received 20 November 2013

Senator PRATT asked:

44. **Senator PRATT:** Have you received complaints about unfair contract terms in consumer contracts and, if so, how many? And what is going on with that?

Mr Sims: I am going to pass, again, to Scott.

Mr Gregson: We have received concerns issues in relation to insurance contracts. There is an interesting overlap, though, there with the ASIC jurisdiction when it comes to financial services. Again, I do not have the breakdown in front of me about the nature and number of those and which ones we have been able to deal with. I would say that it also applies to the car rental market, which is the third area that we have looked at. There are often insurance components of those that we have to tackle with the financial service carve-out. I am sure I have some material available, perhaps in that report, that I could send you as well.

CHAIR: If you could take that on notice, that would be appreciated.

Answer:

44. From 1 July 2012 to 31 March 2013 the ACCC recorded 222 contacts as potentially relating to unfair contract concerns. Of these contacts, 210 were marked as complaints. The nature of these complaints is disparate and the issues complained about vary. The most commonly identified issues related to travel and accommodation agreements, gyms, fitness centres and sporting association memberships, telecommunication contracts and consumer rental agreements for goods.

The following media releases provide further detail in relation to the ACCC's activities concerning unfair contract terms:

- [Unfair contract terms deleted following ACCC review](#) (ACCC media release dated 15 March 2013)
- [ACCC institutes proceedings against ByteCard Pty. Limited for unfair contract terms](#) (ACCC media release dated 22 April 2013)
- [Court declares consumer contract terms unfair](#) (ACCC media release dated 30 July 2013)
- [Interlocutory orders made against Titan Marketing by consent](#) (ACCC media release dated 27 June 2013).

On 15 March 2013 the ACCC released a public report on the outcomes of the unfair contract terms reviews in the telecommunication, hire car, domestic airline, online shopping and fitness sectors. The report highlights the ACCC's key issues of concern across these industries.

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Publication of this report marked the end of the compliance emphasis of the ACCC's unfair contract terms work and the beginning of an enforcement oriented approach where investigations into unfair contract terms in other industries are continuing.

The ACCC's report *Unfair contract terms – industry review outcomes* is available on the ACCC's website at <http://www.accc.gov.au/publications/unfair-contract-terms>.