

WHO'S ON THE LINE?

**Unsolicited phone calls and
the consumer experience**



September 2016

Set up by consumers for consumers, CHOICE is the consumer advocate that provides Australians with information and advice, free from commercial bias. By mobilising Australia's largest and loudest consumer movement, CHOICE fights to hold industry and government accountable and achieve real change on the issues that matter most.

To find out more about CHOICE's campaign work visit www.choice.com.au/campaigns



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CHOICE REPORT INTO NUISANCE CALLS

For too many Australians, the sound of a phone ringing is ominous rather than exciting, prompting questions like - will this be yet another unasked-for call, with someone wanting money on the end of the line? Will the caller be persistent? Will they be aggressive or pushy? Why do these calls keep coming and how can I stop them?

93%
of Australians find unsolicited calls annoying

The Australian Consumer Law includes provisions on unsolicited consumer agreements, giving consumers a baseline protection against unscrupulous selling practices. Whether goods or services are being sold by phone or door-to-door, businesses are required to make certain disclosures, provide a ten-day cooling-off period and face some penalties for breaching these requirements.

These protections are extremely important, but CHOICE research shows they are not strong enough to deal with consumer frustration caused by unwanted calls. CHOICE commissioned nationally representative research about the rate, nature and impact of unsolicited calls in Australia. The rate of unsolicited calls, largely due to exceptions to the Do Not Call Register for charities and organisations that consumers have an 'existing relationship' with, means that consumers are hounded with calls that they don't want to receive, and are being asked for money they did not proactively choose to give.

89%
of Australians are receiving unsolicited calls

What can be done to better protect consumers and prevent intrusive, unwanted, irritating phone calls? Ultimately, the research indicates that consumers

would benefit from a complete ban on unsolicited door-knocking and phone sales. Unsolicited sales are invasive and overwhelmingly unwanted. Further, they place vulnerable consumers at risk. Consideration should be given to a ban. At the very least, the exceptions to the Do Not Call Register scheme could be reworked to allow consumers to opt-out of all unsolicited calls that involve financial transactions.

➤ Older Australians receive more unsolicited calls than any other group, with 92% having received at least one on their landline in the last six months.

Calls from charities, or commercial companies that represent them, are the primary source of unsolicited calls. Consumers do not want to receive these calls and are particularly worried about the impact of aggressive requests for donations on older relatives and friends. Commercial companies acting on behalf of charities have at times demonstrated a ruthlessness and disregard for consumers, sometimes for the very consumers they are collecting funds to assist. For example, contractors working on behalf of a large charity signed up large parts of an Indigenous community to direct debits that they couldn't afford and didn't understand.¹

Calls, particularly from charities seeking donations, are alarmingly frequent for some consumers. More than a quarter of people surveyed reported receiving an unsolicited call from a charity each week. A minority of potentially vulnerable consumers are receiving calls from charities on landlines on a daily basis or even more often.

➤ More than **25%** of people receive unwanted calls from a charity each week.

The data indicates that reform is needed to address consumer concerns and reduce the risk of unsolicited

calls causing harm to vulnerable consumers. An opt-in system for sales would provide consumers with the greatest level of protection, but given the existing Do Not Call Register system is available for use, a simple solution is to remove the exception for charities, allowing consumers to opt-out of receiving these calls.

Alternatively, the Do Not Call Register could be amended to allow consumers to opt-out of the type request being made, rather than opt out of receiving calls from particular types of organisations. For example, consumers should be able to opt-out of all requests for money including fundraising and telemarketing.

➤ Nearly **5%** of people are receiving calls from charities on landlines on a daily basis or even more often.

Another option for addressing problems in the sector may be to amend existing codes of conduct that apply to charities, however, as there are a number of codes and all are voluntary, these will not fully address problems. Particular consideration needs to be given to whether or not callers have been given adequate training to enable them to recognise when a call recipient is vulnerable, and take appropriate action (i.e. do not continue the call or process any financial transactions). Reform should also consider whether it is currently easy for the recipient of a call to make it clear that their preference is to not receive calls, and for that preference to be acted on. Consumers should not have to repeat this with every individual charity or business, but should be able to effectively opt-out of receiving all calls.

68% of people feel that the Do Not Call Register is currently not effective in stopping unsolicited calls.



Unsolicited calls – the big picture

Despite the existence of the Do Not Call Register, a system that allows consumers to register their phone numbers to opt out of receiving certain sales calls, unsolicited calls remain rampant. The overwhelming majority of people surveyed received unsolicited calls in the six months prior to taking the survey. A huge 93% of people find unsolicited calls annoying. Most of these calls are coming through on landlines, but a significant percentage of people received calls on their mobile. While there are exceptions to the Do Not Call Register for companies that a consumer has an existing relationship with, the majority of unsolicited calls were made by companies or organisations that the consumer did not have a relationship with.

- 89% of people have received unsolicited calls in the last six months.
- 80% of people have received unsolicited calls on their landline in the last six months.
- This rises to 92% for 65-89 year olds.
- 63% of people have received unsolicited calls on their mobile in the last six months.
- 64% of calls were made by companies or organisations that the consumer did not have an existing relationship with.
- This rises to 70% for 65-89 year olds.



Case Study: the impact on consumers

Many consumers express frustration at the fact that, even though they are on the Do Not Call Register, they continue to receive unwanted calls. With formal schemes failing them, these consumers are trying to resolve their problems, sometimes in extreme ways that can cause harm to both the consumer and the charity sector.

"I have had to give up answering my landline, and in so doing have missed some important personal calls."

"..now [we] do not give to any institutions that call by phone as we are now receiving calls for many more institutions."

"I do not answer any callers unless they commence to leave a message and I am able to identify them."

"My [90 year old] mother received many unwanted calls... She is now living with me largely because I felt she was too vulnerable living alone."

"As a result of all this harassment we now give less money than before as we are disillusioned with charities."

"Since we have retired we have been inundated with these calls almost on a daily basis, despite registering with the government site to stop these type of calls... we are seriously thinking of disconnecting our landline."

Consumer attempts to resolve this problem themselves are failing. No-one should be driven to disconnect their landline, or avoid taking important personal calls, because they are so worried about unsolicited calls from charities. Reform is needed to fix this.

How do unsolicited calls affect people?

Most survey respondents report that receiving unsolicited calls has negatively impacted their daily lives, and an overwhelming majority of 93% find these calls annoying.

People are primarily frustrated with unsolicited calls because the topics of the calls do not interest them. Given consumers are receiving these calls out of the blue, rather than reaching out to the caller themselves, this is not a surprising finding – if people are interested in talking to an organisation, they will contact them.



Case Study: consumers requesting to opt out

Consumers report that trying to have their names removed from lists held by callers is difficult and does not prevent unwanted calls.

"My wife constantly gets calls from charities asking for donations. When she asks them to take her name off their list she gets a call from a different person claiming to represent the same organisation."

"Since we have retired we have been inundated with these calls almost on a daily basis and despite registering with the government site to stop these type of calls. I have even told the caller this and they hang up fast, but continue to call."

"I don't like to be rude to people but after unsuccessfully asking for our names/numbers to be removed from their phone lists numerous times I have become very rude."

"One member of the house knocked back these calls in a forthright manner,[and then] the other household member was targeted."

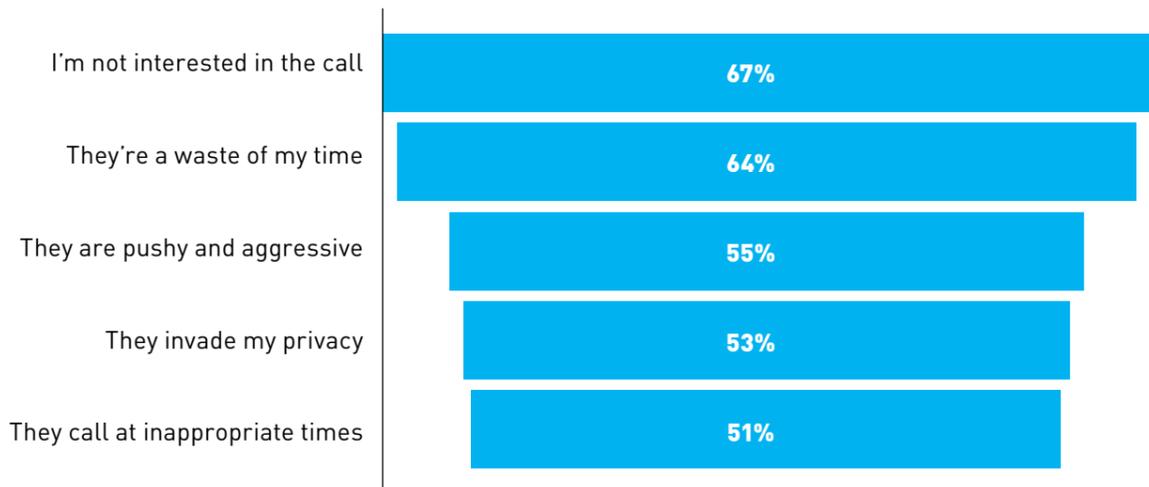
"Many years ago, we made one donation to a not-for-profit. We still regularly receive calls despite asking many, many times to be removed from their call list."

Most people felt that callers use heavy-handed tactics, employing guilt to manipulate the consumer into agreeing with their requests. These tactics did not have a direct negative impact on the majority of our survey respondents. However, respondents did report feeling worried about more vulnerable family members and friends, who may not be able to deal with unsolicited calls with as much confidence.

- > 66% said receiving unsolicited calls has had a negative impact on their daily lives.
 - Only 6% said it has made a positive impact.
- > 93% of people find unsolicited calls annoying.
 - 45% of people say that calls are extremely annoying.

- > 67% are annoyed by unsolicited calls because they are not interested in what the caller has to say.
- > 55% of people agree that 'The callers use guilt to emotionally manipulate me into giving in to their requests'.
- > 57% of people are concerned about senior family members or friends receiving unsolicited calls.
- > 77% of people are concerned that senior family members and friends may get scammed.
- > 65% of people are concerned that senior family members and friends may sign up to or pay for something they don't need.

TOP REASONS WHY CONSUMERS FIND UNSOLICITED CALLS ANNOYING



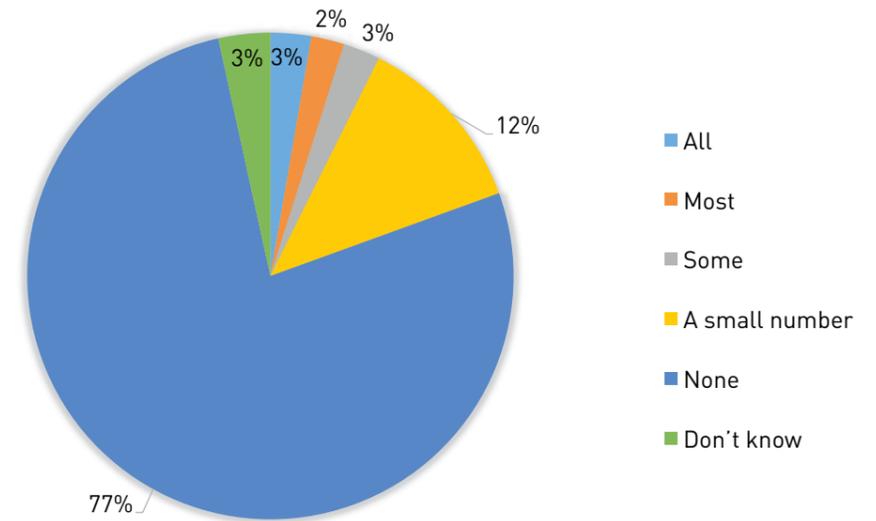
Do consumers want to receive unsolicited calls?

The data paints a bleak picture; unsolicited calls are unwanted. A mere 11% of people who receive an unsolicited call talk to the caller to find out more. Most people respond by hanging up, telling the call that they aren't interested and/or asking the caller to stop calling.

While most people surveyed received unsolicited calls, the majority of these consumers received no calls about something that they were interested in.

- > 11% of people who received an unsolicited call in the last six months talked to the caller to find out more.
 - More common reactions were to hang up (48%), tell the caller they weren't interested (60%) and to ask the caller to stop calling (37%).
- > 77% of people said that none of the unsolicited calls they received were about something they were interested in.
 - This increases to 85% for 65-89 year olds.

How many unsolicited calls were about something you were interested in?

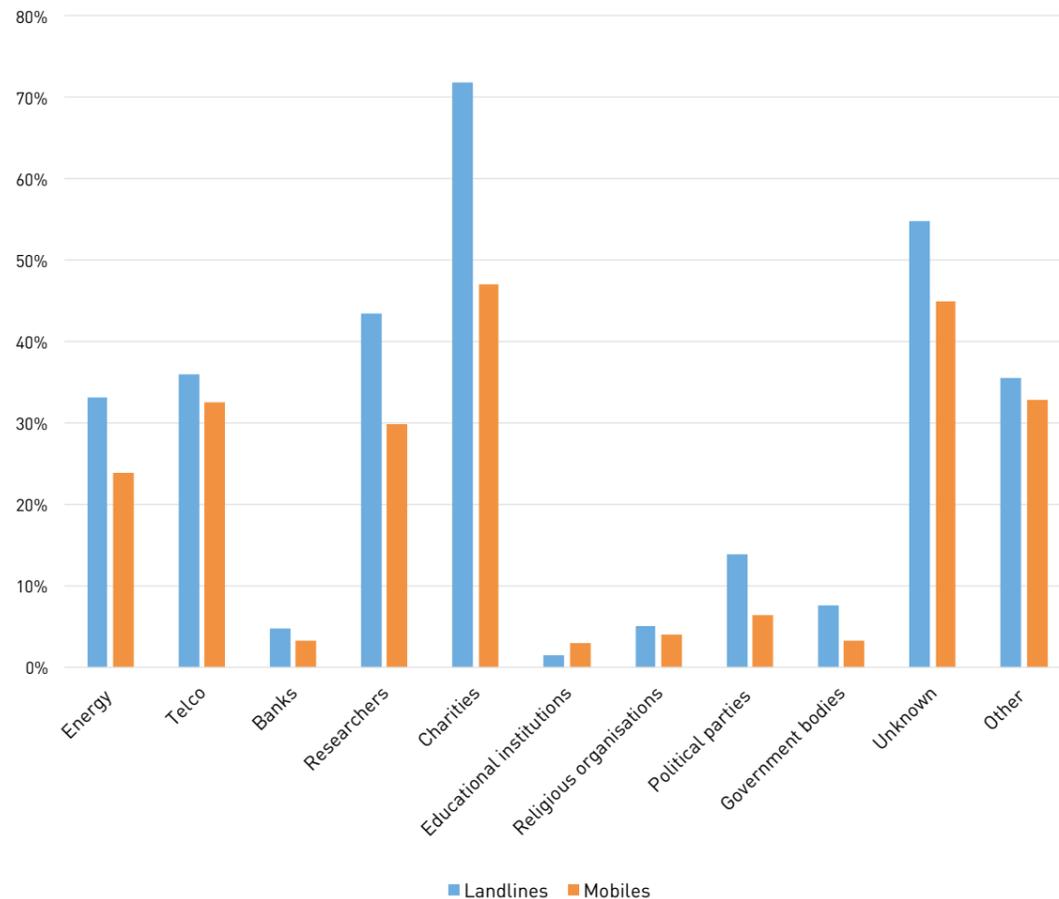


Who is making unsolicited calls?

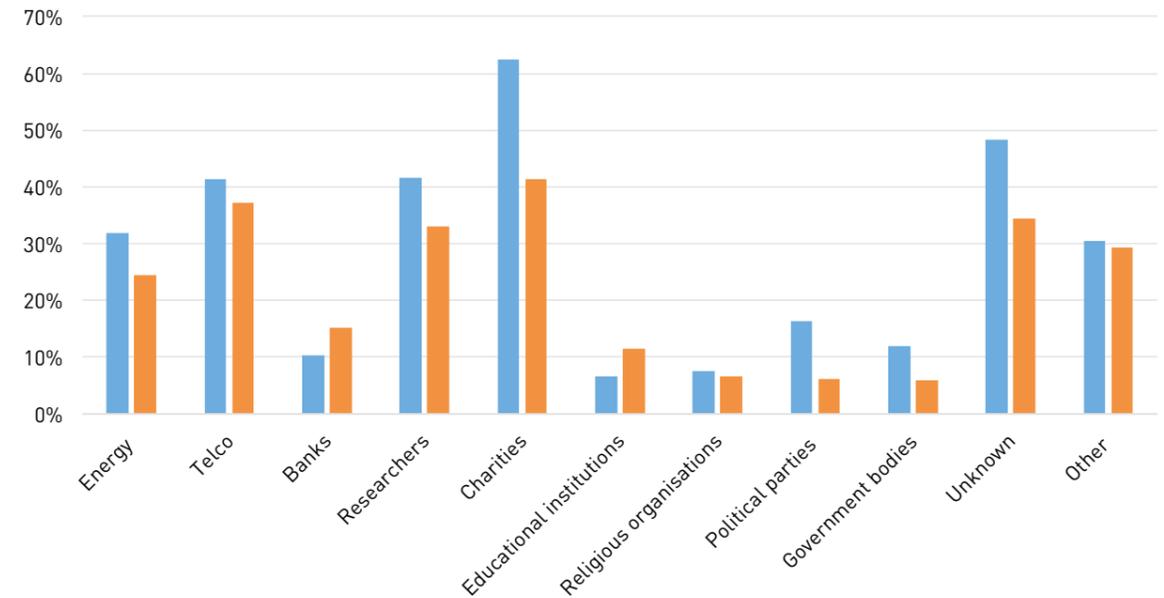
For both landlines and mobiles, most consumers receive unsolicited calls from charities. Telecommunication and market research organisations are the next most common. There are a significant number of calls from unknown organisations or other groups, possibly reflecting spam calls.

Older consumers (aged 65-89) are much more likely to receive unsolicited calls from charities on both their landlines and mobile phones. They are less likely to receive calls from educational institutions and banks. They are slightly less likely to receive calls from telecommunication and religious organisations.

Unsolicited calls to 65-89 year olds



Organisations making unsolicited calls



What are organisations asking for when they call?

Most callers, with the exception of researchers and political parties, are calling to ask for money. Primary reason for calling

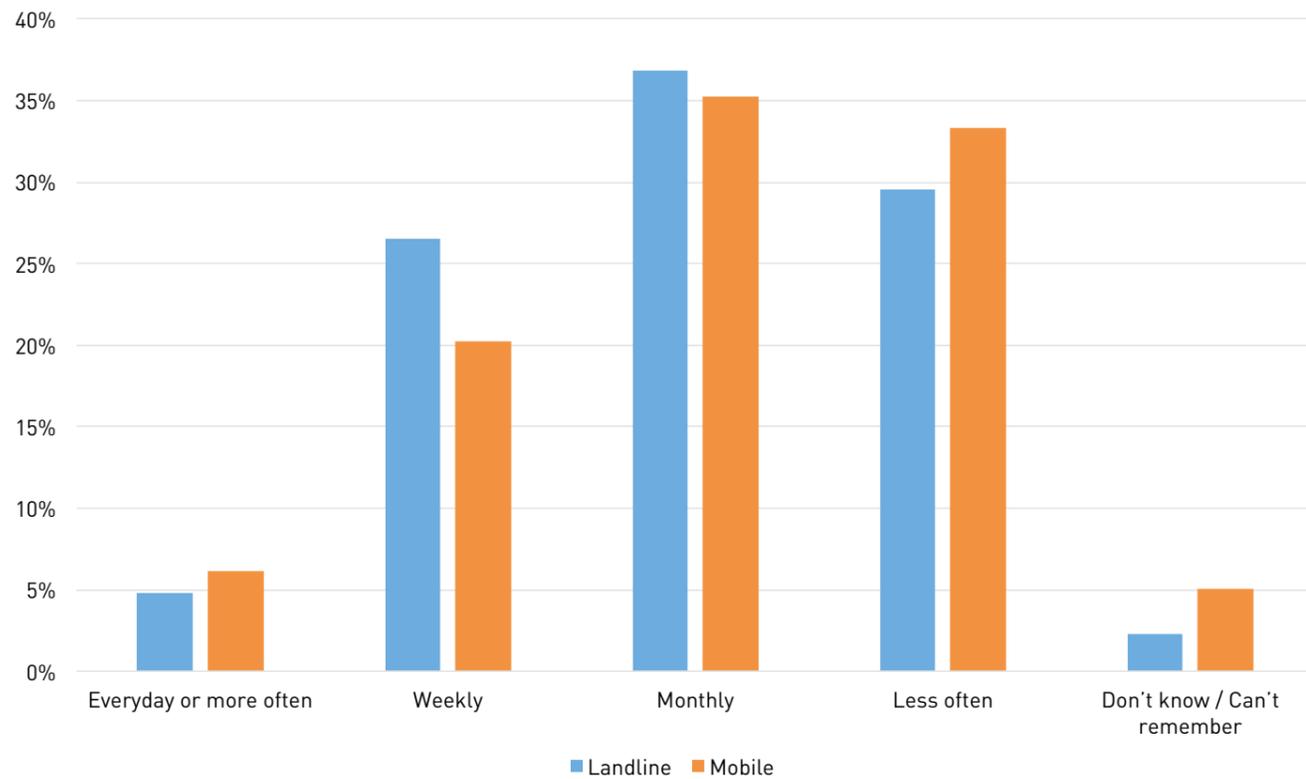
- › Educational institutions: telemarketing (36% of landline calls, 44% of mobile calls)
- › Religious organisations: fundraising or soliciting donations (54% of landline calls, 32% of mobile calls)
- › Energy companies: telemarketing (69% of landline calls, 70% of mobile calls)
- › Telecommunications companies: telemarketing (61% of landline calls, 67% of mobile calls)
- › Banks: telemarketing (49% of landline calls, 53% of mobile calls)
- › Market research companies: opinion-polling or surveys (57% of landline calls, 56% of mobile calls)
- › Charities: fundraising or soliciting donations (82% of landline calls, 71% of mobile calls)
- › Political parties: promoting a political party or position (61% of landline calls, 38% of mobile calls)
- › Government bodies or departments: opinion-polling or surveys (29% of landline calls, 41% of mobile calls)
- › Unknown companies: suspected scam calls (67% of landline calls, 55% of mobile calls)
- › Other organisations: suspected scam calls (39% of landline calls) or telemarketing (49% of mobile calls).

How often are people receiving calls?

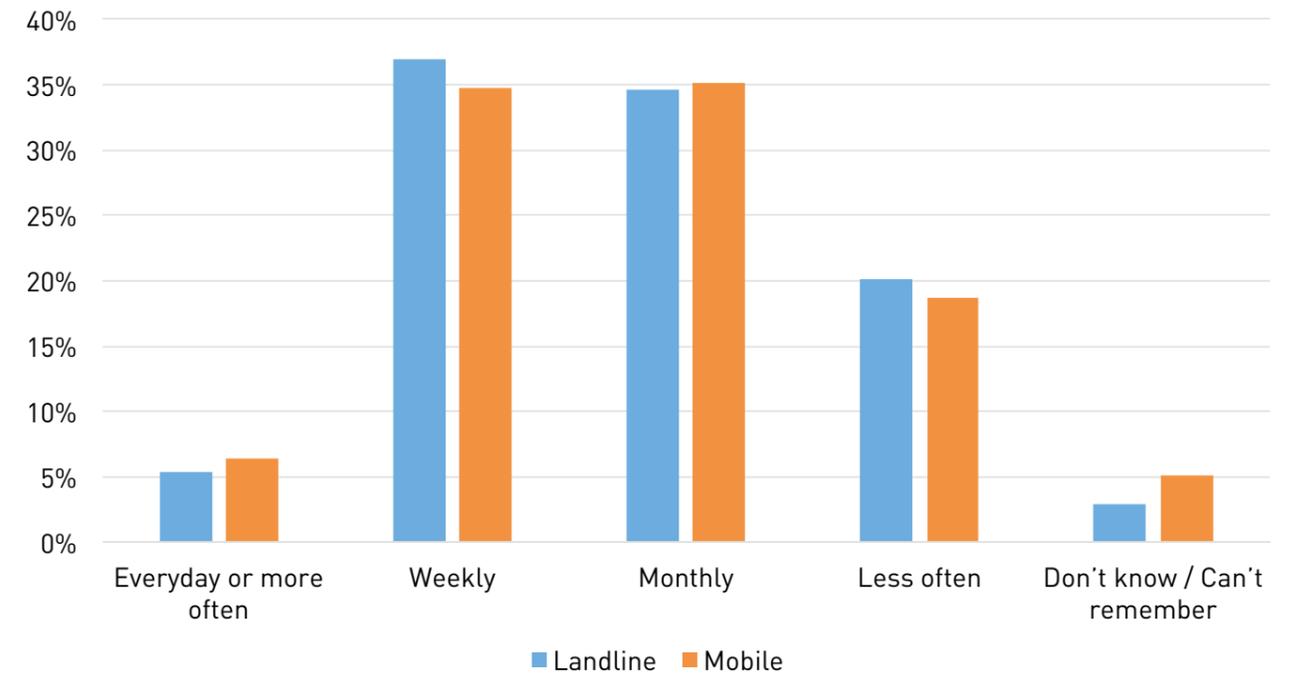
Calls are alarmingly frequent for some consumers. Over 25% of people report receiving an unwanted call from a charity each week. Nearly 5% of people are receiving calls from charities on landlines on a daily basis or even more often.

Although the group of people who receive calls from telecommunications companies is smaller, those that receive calls report that they come even more frequently – nearly 10% receive calls daily on their landline. Finally, energy companies are also calling regularly, with most (over 35% of landline) calls coming weekly.

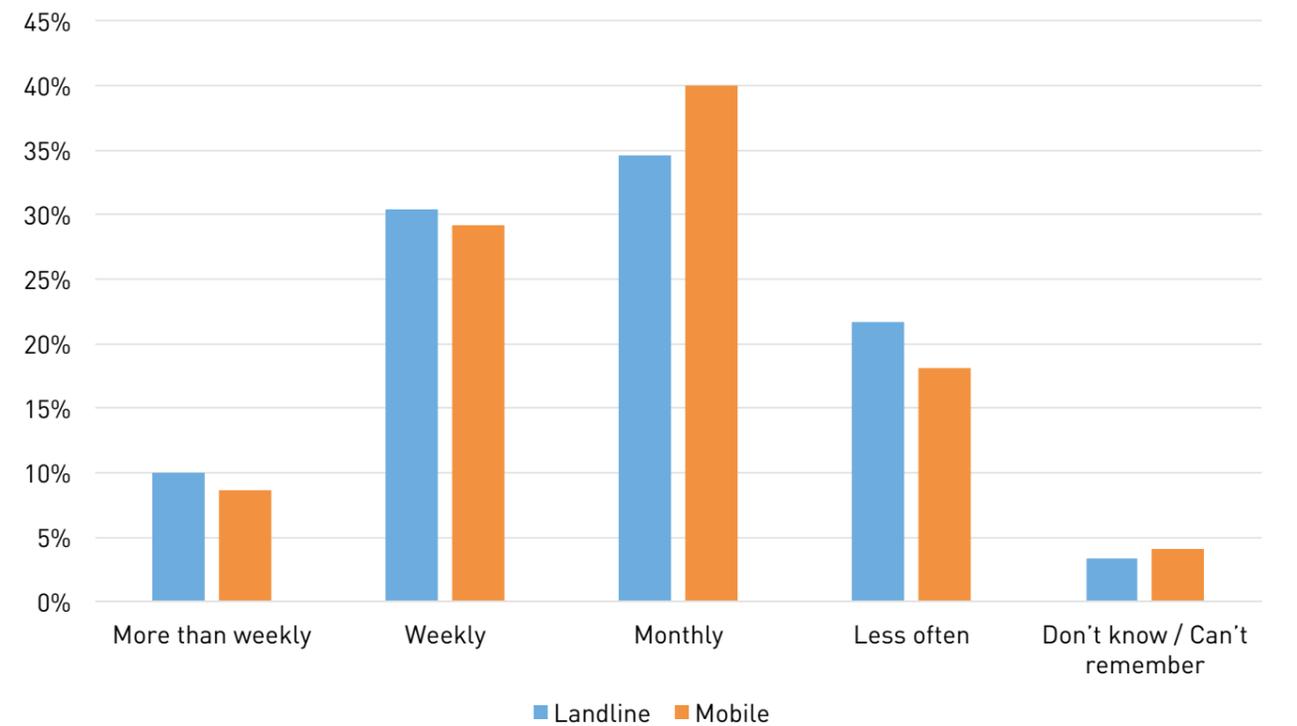
How often are charities calling?



How often are energy companies calling?



How often are telcos calling?



Charity calls and consumer responses

The number one source of unwanted calls is from charities or the for-profit marketing organisations that represent them. We found that these calls are particularly aggressive, can involve emotional manipulation and can perversely make consumers less likely to donate to the particular charity that called in the future.

- After receiving an unsolicited fundraising call from a charity, 66% of consumers say they are less likely to donate to that charity in the future.
 - This increases to 71% for people 65-89 years old.
- Only 7% of people say they are more likely to donate to that charity in the future.
 - This decreases to 1% for people 65-89 years old.

Case Study: the impact on consumers' donation habits

Consistent unwanted calls are damaging consumers' trust in charities, and leading to changes in the way that they donate money, including ceasing to donate at all.

"Bloody nuisance. Makes us wish we didn't donate in the first place."

"I receive calls from quite decent charities, but I am not in a position to give any more than I already do. I prefer to choose charities rather than be hounded."

"As a result of all this harassment we now give less money than before as we are disillusioned with charities... for a pensioner with limited means this non-stop harassment is a stress we don't need."

"We used to give when we could but now do not give to any institutions that call by phone as we are now receiving calls for many more institutions."

However, when consumers do donate they report receiving more unsolicited calls from others asking for donations. It appears that charities or the third-party for-profit organisations they contract to make fundraising calls are sharing information about consumer donation histories.

- Only 15% of people say they made a donation to any charity at any time as a result of an unsolicited call.
- 67% of people who made a donation as a result of an unsolicited call noticed that they received more calls from others asking for donations.

Case Study: privacy concerns and charity calls
Consumers are suspicious that charities they have elected to donate to are sharing their private information with other organisations. Additionally, consumers find that unwanted calls are in and of themselves an infringement of their right to privacy.

"We also receive calls from charities we have never had dealings with, meaning they all share our details. On one occasion our donation was rejected because we wouldn't tick the box agreeing to them sharing our details. I don't understand this practice as it dilutes the amount of money they receive."

"It is a total invasion of our privacy."

"On almost every occasion [when I choose to donate to one charity] I subsequently receive a number of calls from familiar and sometimes completely new charities."

"One of the most disconcerting aspects is that the callers all know my name and address so there must be a huge telephone book in many overseas call centres that is readily available for unwanted calls."



Current protections

The Do Not Call Register

Awareness and use of the Do Not Call Register is high, but as this report shows consumers are still being bombarded with unsolicited calls. Unsurprisingly then, most people feel that the Do Not Call Register is not effective in stopping unsolicited calls. This sentiment is strongest amongst older Australians (65-89 year olds), who bear the brunt of unsolicited calls to landlines and mobiles.

- 79% of people were aware of the Do Not Call Register.
 - This rose to 92% for 65-89 year olds;
 - But is only 66% for 18-34 year olds.
- 68% of people have a landline listed on the Do Not Call Register
- 32% of people have a mobile number listed on the Do Not Call Register.
- 68% of people feel that the Do Not Call Register is not effective in stopping unsolicited calls.
 - 73% of 65-89 year olds feel that the Do Not Call Register is not effective in stopping unsolicited calls.
- Despite the high usage rate of the Do Not Call Register, only 5% of people reported an unsolicited call and 10% of people reported a likely scam to authorities.

The Telemarketing Standard

The Telemarketing Standard acts as a complement to the Do Not Call Register. It requires all organisations that conduct telemarketing or research to meet certain obligations, particularly regarding the days and times calls can be made, the information that must be provided during the call, and when calls must be terminated.

The standard prevents telemarketing calls from being made before 9am or after 8pm on a weekday, and before 9am or after 5pm on Saturday. Calls on Sunday are prohibited entirely.

Our survey reveals that some telemarketing calls may be breaching the standard, specifically in relation to the time of day that calls are made.

- 13% of respondents reported receiving charity fundraising calls between 8 and 10pm on weekdays.
- 31% of respondents reported receiving charity fundraising calls between 5 and 8pm on weekends.
- 21% of respondents reported receiving telemarketing calls from telecommunications companies between 8 and 10pm on weekdays.
- 38% of respondents reported receiving telemarketing calls from telecommunications companies between 5 and 8pm on weekdays.



Case Study: consumers requesting to opt out

Consumers report that trying to have their names removed from lists held by callers is difficult and does not prevent unwanted calls.

“My wife constantly gets calls from charities asking for donations. When she asks them to take her name off their list she gets a call from a different person claiming to represent the same organisation.”

“Since we have retired we have been inundated with these calls almost on a daily basis and despite registering with the government site to stop these type of calls. I have even told the caller this and they hang up fast, but continue to call.”

“I don’t like to be rude to people but after unsuccessfully asking for our names/numbers to be removed from their phone lists numerous times I have become very rude.”

“One member of the house knocked back these calls in a forthright manner,[and then] the other household member was targeted.”

“Many years ago, we made one donation to a not-for-profit. We still regularly receive calls despite asking many, many times to be removed from their call list.”



Solutions

Consumers are looking for options. They want to stop the calls and they specifically want to stop the repeated requests for donations from charities.

- 88% of people agree with the statement “I wish there was more I could do to stop these unsolicited calls”
 - This rises to 90% for 65-89 year olds.
- 74% of people think that charities should not be allowed to call numbers on the Do Not Call Register. 12% of people are not sure or don’t know.

Charities perform a valuable function in society, providing advocacy, support and research services that otherwise may not be provided. However, the intrinsic social value of the not-for-profit sector should not be used to dissuade policy-makers from making changes that are, on the whole, beneficial for society and which are designed to protect the most vulnerable. The case for maintaining the status quo in a situation where there is documented consumer detriment must be carefully interrogated.

When assessing options for improving consumer protection, it is important to keep in mind the relevance of phone call donation drives to the charity sector. In 2014, charities reported a combined total income of more than \$103 billion. Less than 6% of this money came from donations, with presumably an even smaller figure coming from telephone transactions.² Making changes to the ways that charities are able to seek donations over the phone may have a detrimental impact on the sector, but this could be outweighed through generating significant benefits for vulnerable consumers.

The data indicates that reform is needed to address consumer concerns and reduce the risk of unsolicited calls causing harm to vulnerable consumers. An opt-



Case Study: nuisance calls irritate, frustrate and concern consumers

Consumers commonly feel frustration, guilt, irritation and a lack of power in response to unwanted calls soliciting donations. Consumers also express concern about the ability of more vulnerable people to deal with unwanted calls.

"We receive nuisance calls from two charities that we did donate to on one occasion... makes us feel bad."

"Pesky calls... we are really fed up. It is totally out of control."

"I find it very annoying and it's wasting my precious time. After all: it is my telephone."

"It is more than just a nuisance, it's an imposition."

"We can only imagine how large an impact these pests would have on those who rely solely on landlines and worse are ill or frail... in their situation it must be horrendous for them to be bombarded with unwanted callers."

in system for sales may provide consumers with the greatest level of protection, but given the existing Do Not Call Register system is available for use, a simple solution could be to remove the exception for charities, allowing consumers to opt-out of receiving these calls.

Alternatively, the Do Not Call Register could be amended with a view towards allowing consumers to opt-out of the type request being made, rather than opt out of receiving calls from particular types of organisations. For example, consumers should be able to opt-out of all requests for money including fundraising and telemarketing.

Another option for addressing problems in the sector may be to amend existing codes of conduct that apply to charities. Particular consideration needs to be given to whether or not callers have been given adequate training to enable them to recognise when a call recipient could be classified as vulnerable, and take appropriate action (i.e. do not continue the call or process any financial transactions). Reform should also consider whether it is currently easy for the recipient of a call to make it clear that their preference is to not receive calls, and for that preference to be acted on. Consumers should not have to repeat this with every individual charity or business, but should be able to effectively opt-out of receiving all calls. This could most easily be achieved through changing the Do Not Call Register, but there may be opportunities to achieve greater consumer protection through strengthening codes like the voluntary Code of Practice for Public Fundraising or the Fundraising Institute of Australia's Principles & Standards of Fundraising Practice. The fact that codes like these are voluntary, and that there are a number of them, makes this option more complicated than addressing the problem directly through the Do Not Call Register.

This survey reveals that unsolicited calls are causing real problems for consumers. Some options for addressing this are described above. One thing is clear, consumers need a better way to stop receiving unwanted calls.



Notes on Methodology

This survey was conducted among a total of n=1616 Australians aged 18-89 years who use a fixed / landline phone at home and/or mobile phone for personal purposes. The final sample included a booster sample of those aged 65-89 years. Fieldwork was administered and managed by GMI-Lightspeed who is a member of AMSRS and abides strictly to codes of conduct for market research and panel management in Australia. Fieldwork commenced on 24th February and completed on 29th February, 2016.

Case studies used in this report were collected with the assistance of National Seniors. Details of case studies have been anonymised to protect the privacy of those who provided information about the impact of unsolicited calls.

¹ <http://www.abc.net.au/news/2014-06-23/fundraiser-fined-for-misleading-yarrabah-community-members/5543250>

² See the Australian Charities Report 2014, available at http://www.acnc.gov.au/ACNC/FAQs/FAQ_Fundraising.aspx

