

Direct-sale scams now 'targeting suburb folk'

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KUALA LUMPUR: Consumer Claims Tribunal chairman Rungit Singh feels the manner in which direct-sale transactions are conducted is worrying. He said cases were also on the rise outside Kuala Lumpur.

"They're now targeting areas in the outskirts where they lure housewives unaware of these scams as well as junior government officers, clerks and office workers."

From the complaints received, Rungit said, direct-sale practitioners were believed to have used pressure tactics that gave the consumer almost no option other than to enter the transaction.

"They are normally surrounded by the sales personnel who give them all kinds of promises, including offers to resell the merchandise they win at higher prices.

"This reselling pitch is what consumers should be cautious about. It makes no sense for someone to offer to sell something you get from them at a higher value if you don't like the item.

"If they could do this, they would have sold it themselves and made a profit without duping you into trying to win it. They are just playing on the consumer's psychology."

He said customers who were pressured into signing up usually had a change of heart and tried to call it off but they would be told that it was a business deal.

"This is done with complete disregard to the cooling-off period. Many of these companies ask for payment up front. Some even ask housewives to pawn or sell their jewellery.

“When the case comes before the tribunal, we find different companies operating at the company's same address of business.”

Rungit said the law was there but it was compliance with the law that was the problem.

“Consumers should know there is no rush to buy something. They should always defer decisions where large amounts of money are asked for immediately.”

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