

Sharp selling practices in the selling of assistive products to older people

Ricability February 2002

SUMMARY

This report describes the findings of a small investigative study to establish evidence of sharp practices by companies selling assistive products, such as stairlifts, powered scooters and special armchairs and beds. The study arose because, as a result of complaints received, Age Concern England wondered whether some companies were trading on the vulnerability of older people, using forceful selling methods and providing them with unsuitable products and after sales services.

Age Concern commissioned Ricability to investigate such practices. The research was carried out during 2001 in three stages:

- consultation with a wide range of other advice agencies on their experiences with the assistive products industry
- an in-depth study of nine selected complaints and consideration of six others – all received by Age Concern and the other agencies
- six mystery shopping exercises in which older people received home visits from companies identified by the advice agencies as the source of consumer complaints.

Findings

Responses from advice agencies showed that they shared Age Concern's suspicions about the operation of some companies in the assistive products industry. Both the complaint case studies and the mystery shopping exercises revealed a depressingly similar range of problems being faced by older people when buying assistive products. The majority of these cases related to products sold to older disabled people in their own homes rather than in shops.

The key issues raised were:

- Influential advertisements
- Detrimental effect on cancellation rights from invited home visits
- Over forceful selling practices
- Product unsuitable for person's abilities and needs
- Poor demonstration
- Large deposits required
- Dramatic price reductions to induce purchase
- Verbal agreements not written into the final contract
- Restricted consumer rights when products made to personal specification
- Pressurised selling of expensive maintenance contracts
- Poor after sales services.

Recommendations

This research suggests that sharp practices are being carried out by a minority of companies selling assistive products. A range of measures is needed to deter their unacceptable selling practices:

- Responsible advertising - new codes relating to assistive products
- Promotion of independent advice - better publicity and provision
- Responsible traders - strengthening and promotion of industry codes of practice

- Protective laws and practices - review to give greater consistency and protection
- Co-ordinated collection of data on complaints - to identify their extent and the persistent offenders.

This report

Following this summary, the background to the research and the methods used are explained. The issues raised by the complaint case studies and the mystery shopping exercises are explored under the headings listed in the Findings summary above. In these sections the relevant findings are summarised, the law is explained and best practice is reported from the industry codes of practice. The main report concludes with recommendations for action to reduce sharp selling practices in the assistive products industry. The details of the 15 complaint case studies are given in Annex A. Annex B contains details of the six mystery shopping exercises, together with the text of the responses of the companies (with the name of the salesman omitted) to the description of what had happened. Annex C lists brief details of the legislation relating to the issues discussed in this report.

BACKGROUND

There were just over 9 million people of pensionable age living in England in 2000, representing 18% of the total population¹. It is estimated that the number of older people will steadily grow in future years, peaking at nearly 16 million in the late 2030s. By 2030 older people are expected to make up 33% of the population of England².

The incidence of disability increases with age. Whilst 24% of those aged 16 to 44 have longstanding illnesses, disabilities or infirmities, this rises to 59% of those aged 65 to 74 and 66% of those aged 75 years and over. The numbers reporting a condition which limits their activities is 13% of those aged 16 to 44 but 38% of those aged 65 to 74 and 50% of those aged 75 years and over³.

One of many implications of this demographic change is that the market for goods and services that meet specific needs of older consumers is likely to grow. Assistive products, such as stairlifts, wheelchairs and powered scooters, can make an important contribution to ensuring that older people can remain living independently for as long as possible. It is very important that the product chosen is not only of reasonable quality but is also matched to the specific needs of the individual.

Age Concern is contacted by older people, or their relatives, for advice on how to handle complaints they have against companies who have sold them assistive products which they are unhappy with. The nature of the complaints gave rise to a suspicion that some companies were trading on the vulnerability of some older people and providing them with poor products and/or after sales services.

RESEARCH

Age Concern commissioned Ricability to carry out an investigative study of the suspect selling practices of some assistive product companies. The research was conducted in the spring and summer of 2001, in three stages:

- consultation with a wide range of other advice agencies on their experiences with the industry.

Ricability contacted national disability charities and those concerned with older people and the national network of disabled living centres. The majority responded with information on the types of assistive product complaints they handle. Many pointed out that they do not keep systematic records of complaints but advise individuals having these problems on actions they can take. Where possible and with permission Ricability contacted the consumers involved in recent cases.

- an in-depth study of nine selected complaints and consideration of six others – all received by Age Concern and the other agencies.

¹ Population Trends 101, Autumn 2000.

² National population projections: 1998-based, National Statistics

³ General Household Survey 'Living in Britain 1998.'

Ricability investigated these complaint case studies which are detailed in Annex A. They illustrate two general areas of concern – dubious selling practices and poor after sales services. Many of these consumers had changed their minds soon after purchasing an expensive product in their home. The persuasive salesperson convinced them to buy something they did not need or could not afford, or they found the product did not suit their specific needs. Many of the people involved had suffered extreme distress from their experiences and agreed to Ricability’s further investigation specifically to help others avoid suffering in the same way. In addition, assistive products are relatively expensive. The value of the sales in the case studies ranged from £1,380 to £5,765, so there is considerable detriment for the consumer if they are unable to rely on existing consumer protection for redress.

- six mystery shopping exercises in which older people received home visits from companies identified by the advice agencies as the source of consumer complaints.

Despite their lack of detailed records, Age Concern and the other advice agencies were able to identify companies about which complaints often arise. Some older people, who were genuinely interested in certain assistive products, were recruited to enquire about them and arrange home visits. These six visits were tape recorded and a summary of each is given in Annex B. Each of the companies was sent the summary of their salesman’s visit for comment prior to publication. Their responses are reproduced in Annex B.

Only one of the six salesmen recorded could not be faulted. He assessed the shopper’s suitability for the product, addressed her concerns and put no pressure on her to buy. In contrast, the mystery shopper in another exercise commented at the end:

“I could picture elderly people in pain and desperate, possibly on a long waiting list for hospital treatment or in need of physiotherapy, who would fall for this sales pitch out of sheer desperation”.

Whilst this small scale research study cannot measure the extent of unacceptable selling practices in the industry, it does suggest that a minority of companies are using selling practices, many of which arose in a number of the cases, that give rise to concern. We are also concerned at the complacency expressed in the responses of the companies investigated by our mystery shopping exercises. The report makes a number of recommendations which should improve the way these products are sold and serviced. We argue that for the future benefit of the industry, it is important that older people have confidence that they will be sold a product that suits their needs, as well as being sure that any after sales service they may subsequently need will be reliable.

THE ISSUES RAISED

Both the case studies and the mystery shopping exercises display a depressingly similar range of problems being faced by some older people when buying assistive products. The majority of these cases related to products sold to older and disabled people in their own homes rather than in retail shops. This is not surprising given that there are relatively few retail outlets selling assistive equipment – the majority being available by mail order or through direct selling where a salesperson demonstrates and sells to people in their own home.

Influential advertisements

(cases 1, 4, 6, 7 and brief case 13 in Annex A and exercises 1 and 2 in Annex B)

“I expected embrocation for my back - not a massive armchair.”

Many of the people in our research who bought through direct selling began by answering an advertisement in a specialist magazine, like *Yours* or *Saga*, or in the weekend newspapers. Usually, they were asked to ring a freephone number for information. In two of the mystery shopping exercises (1 and 2), the salesmen referred to the magazine advertising their product as if this was an endorsement. The inclusion of a well-known celebrity in the advertisement is often seen to act as an endorsement.

The way traders advertise and describe their products is governed by legislation and regulated by a well-established code of practice. The Trade Descriptions Act 1968 makes it a criminal offence for traders to make false statements about the goods they sell. In civil law the Sale of Goods Act 1979 as amended says that goods must fit any contractual description given of them. The British Codes of Advertising and Sales Promotion regulate most non-broadcast advertising. They do not have the force of law but the Advertising Standards Authority is an independent body set up to make sure that the system works in the public interest. It can investigate and adjudicate on complaints and also issue ‘ad alerts’ in the press to restrict the further publication of advertisements breaching the Codes. The Codes state that all advertisements should be ‘legal, decent, honest and truthful’ and that the ‘Codes are applied in the spirit as well as in the letter’. Under the Control of Misleading Advertisement Regulations 1988 the Director General of Fair Trading is given the role of supporting and reinforcing existing advertising controls. He has the power to step in if he thinks that advertisements should be stopped by means of a court order.

In the follow up to most of the case studies, the original advertisement was not available. There were comments about unrealistic images used – for example a fit looking silver haired lady smiling on a powered scooter, rather than a frail older person trying to get through a shop doorway on a scooter. In just two cases (1 and 13), people felt misled by the advertisement. Neither seemed to be in the spirit of the Codes of Advertising.

Detrimental effect on cancellation rights from invited home visits

We are concerned that, as a result of responding to an advertisement, a salesperson will be invited to make a home visit. This means that the consumer has less legal protection than they would if the visit was unsolicited - an apparent inconsistency in the law. Under

the Consumer Protection (Cancellation of Contracts Concluded Away from Business Premises) Regulations 1987, if goods or services costing more than £35 are bought as a result of an unsolicited call at the home, the consumer is given seven days to change their mind and cancel the contract. However, if they have invited the visit, they have no statutory right to cancel (unless the contract provides such a right). The only exception to this is if they pay for goods or services costing over £50 by signing a credit agreement at home after having face-to-face discussions with the trader. They will normally have a five day cooling off period in which to change their minds and to cancel the credit agreement and the supply contract, under the Consumer Credit Act 1974. The five days start from the day after they receive by post a copy of the executed agreement. The agreement must contain information on their cancellation rights from the time when they sign it.

Our case studies show that people were unaware of these legal rights. Those who sought to cancel the deal were shocked when they learnt they were not legally entitled to do so. There were also some cases where the visit was made where consumers had not realised they had asked for one, or on asking for a brochure had been persuaded to have a visit instead. It could be argued that the 1987 Regulations apply if during a telephone call for a brochure the salesperson insists on a visit: the Regulations state the visit must have been made 'at the express request of the consumer'. People also have rights to cancel if the product is not suitable for its purpose, for example. This area is reviewed below under *Product unsuitable for person*. None of the people in our case studies paid by credit agreement.

People should be less likely to receive unsolicited visits from companies which are members of the British Healthcare Trades Association (BHTA). Its Code of Practice states that when consumers ask for information about a product, members should not visit them at home without a mutually agreed appointment first being made. It also states that members must ensure that customers are allowed to cancel any order within seven days. The Direct Selling Association's Code specifies 14 days. A review of returns and refunds policies of the assistive products mail order companies showed similar time limits.

Over forceful selling

(cases 2, 3, 4, 5, 6, 8 in Annex A and exercises 1 and 4 in Annex B)

“We felt as if our heads were swimming.”

One of the most distressing elements of our reported cases was the lengthy sales pressure put on older people in their homes. Six of the case studies described the salesperson as over forceful and our mystery shopping exercises supported this experience. Buying at home has obvious advantages for people who cannot get out and about easily. It also means that the consumer can be given a detailed explanation and demonstration of a product and the opportunity to try it out in private. On the other hand people are more vulnerable faced with a determined salesperson in their home. They cannot simply walk away when they are tired of the sales pitch - as they could from a shop.

Sales training no doubt encourages sales staff to use sympathetic and empathetic behaviour. Some of our mystery shopping salesmen referred to the fact that they had disabled relatives. Apparently sympathetic and patronising behaviour can lull people into a false assurance of the salesperson's understanding and good will. In the case studies

older people were subjected to very long sales pitches. On one occasion (case 4) a contract was signed after a very persistent salesman had been in the home for four hours. In another (case 3) the couple reported that the salesman stayed for hours till they felt their heads were swimming. A Trading Standards office told us that sometimes salespeople use alarmist tactics, capitalising on the person's fear of accelerated physical decline or increased pain if the product is not used. There was a suggestion of this to one of the mystery shoppers (exercise 1). It is unacceptable that vulnerable people are bullied into signing a contract to purchase.

There is some inconsistency in the protection of consumers by law from salespeople who adopt unacceptable selling practices. People should be able to expect fair practices if they buy with finance from a credit agreement. Under the Consumer Credit Act 1974 suppliers who give credit or refer consumers to other sources of credit have to be licensed by the Director General of Fair Trading. He can take into account evidence of poor business practices in considering fitness to hold the licence. The Act refers to practices which are deceitful or oppressive or otherwise unfair or improper, whether unlawful or not. Unfortunately these sanctions do not help consumers who buy from traders who do not offer credit agreements.

The Office of Fair Trading is setting new tough criteria for codes of practice, including guidance that there should be no high pressure selling and that extra help should be given to vulnerable consumers. Currently the BHTA Code of Practice for the Sale of Healthcare Products to People in their own Homes states: 'Purchasers of healthcare products and services are often amongst the most vulnerable members of our society. It is, therefore, incumbent on the suppliers of products and services to recognise the special needs of their customers and to adopt business practices, which take full account of these'. Similarly the DSA Code of Practice states that 'members shall ... respect the customer's right to bring any contact to an end ... refrain from exploiting the customer in any way'.

Product unsuitable for person

(cases 1, 2, 4, 5 and 7 in Annex A)

"I don't need the riser and the massager does nothing for my back pain."

Older and disabled people are prepared to buy expensive assistive products to help them with their difficulties. It is therefore important that the product suits their particular needs. The salesperson should work to identify these and ensure as far as possible that they are met by the product or service they are selling. Sadly a number of our case studies demonstrate that people are sold unsuitable products.

Consumers have civil law protection under the Sale of Goods Act 1979 that goods they buy from a trader must be reasonably fit for their purpose. Also they must be fit for any particular purpose made clear to the salesperson when the goods are ordered or bought, and where the consumer reasonably relies on the skill or judgement of the salesperson. Products not fit for such a purpose can be rejected by the buyer in certain circumstances which will depend on the nature of the complaint and how quickly the buyer acts. Generally in the case studies where the person was sold a clearly unsuitable product, they had to argue protractedly with the retailer to get a refund. In case study 1 the company refused having not been informed of the consumer's dissatisfaction until three months

after delivery of the product. The codes of practice of the trade bodies include time limits for cancellation: see *Detrimental effect on cancellation rights* above.

Poor demonstration

(cases 1, 2, 3, 4 and 7 in Annex A)

“I felt I was pressurised throughout this sale. At no time was I offered a test ride.”

Given the importance of matching assistive products with the older person’s needs, it is particularly important that the person is given an opportunity to try out the product. On the other hand a salesperson visiting the home cannot be expected to carry around different models of large items such as recliner chairs, beds and scooters. In some of the case studies and mystery shopping exercises, people could only look at pictures of models of the product. In most cases, they were offered only one product with no alternative models to consider. For some equipment it is clear that consumers cannot make a reasonable purchase decision without being able to try out the product properly.

Large deposits required

(cases 1, 3, 4, 5 and 7 in Annex A)

“I paid a deposit of £1,000 ... a lot of money before you can change your mind.”

Advice centres reported sales people offering to take older and disabled people to their bank or building society to withdraw their savings to pay for the deposit in cash. This did not happen in any of our case studies, but a large cash deposit was handed over when the agreement was signed in case 3 and the full payment, of nearly £3,000, was paid by cheque with the order in case 5.

Using the Unfair Terms in Consumer Contracts Regulations 1999, the Office of Fair Trading has recently succeeded in persuading certain suppliers to change their standard contract terms (terms which have not been individually negotiated) that require full payment in advance. The OFT’s guidance points out that it may be unfair for consumers to be required to discharge their duty to pay in full, or nearly in full, before the supplier has carried out his side of the contract. The consumer loses bargaining power over defects in the product supplied and is at risk of losing their money if the company goes out of business before the product is supplied or complaints are resolved.

Dramatic price reductions to induce purchase

(case 5 in Annex A and exercises 2 and 4 in Annex B)

The price reductions – from £3,642 to £1,200 – “make me slightly suspicious.”

It can be difficult for the consumer to be able to assess value during a home demonstration. Often no prices are quoted in the advertisement or catalogue, and in all the mystery shopping exercises salesmen showed a reluctance to quote them until late on during the visit. In addition in one of the case studies and two of the mystery shopping exercises the price the salesperson initially quoted dropped dramatically as the visit progressed. Often the shoppers were asked what price they were expecting. If more than

one model was available, shoppers were encouraged to state their favourite - and the price for that model was quoted. In four of the six exercises the price once stated was more or less kept to. However in the other two exercises the salesmen found ways of reducing the price to a more attractive - and tempting - level for the shopper, in one case considerably so. The final reduction was obtained by the salesmen ringing their office but in both cases, the reduced price could be offered only if the order was placed that day. Two salesmen in the exercises also mentioned the possibility of linking the order to a bulk order – to a nursing home for example - as a way of reducing the cost. This lack of transparency of prices does not enable consumers to know if they are getting a fair deal.

Verbal agreements not written into the final contract

(cases 3, 6 and 7 in Annex A)

“The salesman offered £350 for the old scooter but that was not mentioned in the sales agreement.”

In three of the case studies, what consumers had thought had been agreed verbally was not included in the written contract. Any verbal special terms or prices are binding only if they are written into an agreement. Although the courts can take oral statements into account in some circumstances, a signed agreement or contract generally overrides anything agreed orally. An agreement to purchase - like any other contract - should be signed only when it has been read carefully, since once signed it will be legally binding. If the potential buyer cannot cope with the small print, they should not sign but ask for time to consider the document. However, the pressure selling methods used in some of our case studies made it very difficult for consumers to do anything other than sign the agreement at the time.

The Unfair Terms in Consumer Contracts Regulations 1999 include a test of fairness for standard terms in contracts used by businesses with consumers – those terms often referred to as the small print. Basically a term should not give powers or safeguards to the supplier which could put the consumer at a significant disadvantage. One of the requirements is for plain and intelligible language in a contract. The OFT has produced useful Guidance on the Regulations and interprets this requirement to mean plain English, in legible print and that consumers should be given an adequate chance to read and understand the terms.

Another cause of shock and distress in the case studies was the buy back policies offered. Typically these are sought by families on the death of the product user. In one of the cases (case 7 in Annex A) the widow was sure the salesperson had said there was a possibility of the company buying back the powered scooter in the event of bereavement. However, following her husband’s death the company repeatedly denied it had any buy back policy. In another case (brief case 10 in Annex A) the widow was offered £800 for two stairlifts bought new a year previously for £3,500.

Personal specification questioned

(case 1 in Annex A and exercises 3 and 6 in Annex B)

“The only custom built part of the chair is the choice of fabric.”

Given that assistive products are designed to alleviate specific impairments, it is not surprising that sometimes they have to be made to order. Understandably there are tougher policies on a consumer's rights for return and refund for products made to personal specification, or where there are hygiene considerations. The trader may be entitled to keep the deposit if the product is difficult to sell to somebody else. In one of the case studies and two of the mystery shopping exercises the salesperson said the item would be custom made. There is however a suspicion that 'made to personal specification' is not necessarily the case, but is being used to the consumer's disadvantage should there be a subsequent complaint.

Buying additional items

(cases 6 and 8 and brief cases 12A, 12B, 12C and 13 in Annex A)

“They asked how I'd manage if the stairlift broke down with no maintenance contract – it felt like blackmail.”

No mention was made of the need for a pump in an easy access bath (case 6 in Annex A) until the end of the installation. Another consumer (case 8 in Annex A) felt she was pressured into buying insurance, and in others (brief cases 12A, B and C) consumers were pressured into buying expensive maintenance contracts. Agencies reported examples of people being shocked at the cost they were quoted for maintenance contracts for stairlifts, which were not mentioned until shortly before the guarantee ran out. Pressure to take out a contract included being told frightening stories of people without such contracts being stuck on one floor unable to move. These selling practices do not comply with the DSA Code of Practice which states 'Members shall ... give clear and legally accurate information about price and all aspects of after-sales service.'

Poor after sales services.

(cases 6, 8 and 9 in Annex A)

“I have become totally housebound as this matter [faulty repairs] is still not resolved.”

Assistive equipment enables independence, but conversely can severely restrict older and disabled people's lifestyles when it goes wrong. Some of the people reporting poor after sales service had also experienced pushy sales people. Others began to have difficulty only when the product had been in use and failed in some way, finding that the retailers were reluctant or apparently unable to put things right competently. With both the cases involving power scooters, their ongoing maintenance problems had resulted in complete loss of confidence in the product as well as loss of independence.

Under the Sale of Goods Act 1979, goods bought from a trader must be of satisfactory quality. This means, for example, able to do the job for which they are designed, free of faults, durable and safe. It is the retailer who is legally obliged to resolve problems if these requirements are not met. Consumers can use a manufacturer's guarantee if there is one, which is in addition to their statutory rights, but they do not have to. In certain circumstances, the consumer could be entitled to a refund, but in other cases an offer to repair would be seen as reasonable. Under the Consumer Credit Act 1974, consumers

who pay by credit – even a small deposit – by credit card or credit agreement, and spend more than £100 on one item, can also pursue a claim against the creditor as well as the supplier if the goods are faulty for example.

RECOMMENDATIONS

This research, commissioned by Age Concern England and carried out by Ricability, suggests that the sharp selling practices it has revealed are being carried out by a minority of companies in the assistive products industry. There are many products and suppliers that we have heard no complaints about. Other advice agencies confirm the view that the same few companies are causing problems for older and disabled consumers. A concerted effort is needed from government, industry and the voluntary sector to deter and prevent these traders from continuing their unacceptable selling practices.

We recommend action in the following areas.

Responsible advertising

The difficulties many older people have with unscrupulous sales people start at the point where they respond to an advertisement, typically in a weekend newspaper or a specialist magazine such as *Saga* or *Yours*. The content of advertisements is governed by legislation and industry regulations, and the majority keep within those constraints. However, it was a noticeable feature of the mystery shopping exercises that salesmen mentioned that their adverts appeared in *Saga* or *Yours* – sometimes featuring a celebrity - as a way of instilling confidence in the product.

Bearing in mind the potential benefit of assistive products for older and disabled people, and their potential vulnerability, we recommend:

- that the Advertising Standards Authority introduce specific codes to cover the advertising of assistive products.
- the adoption of policies by journals carrying advertisements for assistive products to publish, alongside advertising panels, standard information on sources of independent advice and relevant trade bodies for assistive products.

Promotion of independent advice

Consumers need independent and easily accessible product information before they buy in order to make informed and appropriate choices. The National Consumer Council found that almost two thirds of consumers who found comparing products or services difficult or impossible named information problems as the cause⁴. In the case of assistive products, some independent information is available from Disabled Living Centres for example. We recommend that:

- government, industry and voluntary bodies raise public awareness of sources of independent product information and of demonstration centres where assistive products can be seen and tried.

⁴ National Consumer Council Poll, March 2001.

- the Government ensures that Consumer Support Networks⁵ offer pre-shopping advice as well as dealing with post shopping complaints.

Responsible traders

Current healthcare and direct selling industry codes of practice acknowledge the special needs of their vulnerable customers, and commit their membership to adopting business practices which take account of these. However our research has revealed a stark contrast between the behaviour of some salespeople and these recommended practices. Only two of the companies that featured in the case studies were members of BHTA when this research was carried out in 2001. We welcome the Office of Fair Trading's (OFT) plans for strengthening and promoting industry codes of practice⁶ and recommend:

- early implementation of the OFT's plans for introducing registration of good codes of practice and raising public awareness of codes of practice.
- relevant trade bodies should introduce or improve vetting procedures before and after registration, training courses on good practice and monitoring and effective enforcement.
- relevant trade bodies should register their Codes of Practice under the revised OFT scheme as soon as possible.
- advice agencies should then encourage consumers to use member firms of reputable trade bodies and encourage people to report problems to trade bodies.

all sellers of assistive products should be responsible for checking that their products will suit individual buyers, taking into account their abilities, their home and, for outdoor equipment, the surrounding terrain.

- sellers of assistive products should introduce or improve responsible return and refund policies.

Protective laws and practices

The experience of advice agencies is that many older consumers are not aware of current legislation which gives them rights to return unsuitable and unwanted products after purchase. Vulnerable older people require support to know and achieve their legal rights. For example many are unaware that they restrict their legal right to a period to reflect on a purchase if they invite a salesperson into their home. Whilst we welcome the recent introduction of some more protective laws and regulations, for example the Distance Selling Regulations and Stop Now Orders, we think there is still a need for greater consistency in consumer protection legislation, particularly with regard to cancellation rights. We recommend:

⁵ Consumer Support Networks are a Government initiative to improve consumer access to expert, accurate and timely advice through the coming together of different local advice agencies.

⁶ *The OFT's new approach to consumer codes of practice*, February 2001. Direct marketing is one of the priority areas identified for action.

- more support for and promotion of advocacy services which help older people to resolve their difficulties with inappropriate purchases.
- a review of consumer legislation to give greater consistency in consumer protection.
- the extension of the protective features of the Consumer Protection (Cancellation of Contracts Concluded Away from Business Premises) Regulations to all traders selling to consumers in their homes, whether solicited or unsolicited.
- systematic collection by all advice agencies of information on companies using unacceptable selling practices, to identify the extent of such cases and to identify persistent offenders.
- advice agencies to encourage complainants to report unscrupulous traders to official bodies such as Trading Standards Offices.
- government funds literature or information materials that set out consumer rights specifically targeted to older people buying assistive products at home.
- all written contracts should contain a statement in large bold print along the following lines: 'Sign only if you wish to be legally bound'.

ANNEX A

CASE STUDIES

The following stories briefly describe what happened to people when buying assistive products during the last couple of years. They had been reported to the agencies contacted as part of this research. Many of the people involved have been greatly distressed by their experiences and have allowed their stories to be told to help others not to suffer in the same way. Their initials have been used and the companies involved have not been named to protect the identity of the consumers.

CASE 1: riser recliner chair

The consumer Mr H is in his 80s and suffers from chronic back and neck pain and stiffness.

The cost of the product £4,350

The invitation

During the year 2000 Mr H repeatedly responded to a leaflet advertisement inviting people to send for a free home trial. The advertisement listed the conditions that the product could help with. There was no picture of the product and no telephone number in the advertisement. Mr H expected embrocation for his back, though in the smaller print the wordy advertisement states that the product isn't an ointment and mentions a range of chairs and beds.

The visit

In September 2000 the company's salesman carrying a suitcase knocked on the door at 9.30am – no appointment had been made. The salesman was a pleasant man who was 'polite but insistent'. He demonstrated a small hand-held massage unit, from his suitcase, on Mr H's neck. He also tested Mr H's ability to stand from an upright chair and found he had no difficulty. He showed Mr H a leaflet with a picture of a plush riser recliner chair which was available with a built-in massage unit. There was no information on the size and weight of the chair. The salesman showed great reluctance to discuss the cost of the chair. Mr H signed an agreement to buy the chair for £4,350 to ease his back pain. He was told it would be custom-built. A deposit of £1,087 was paid by cheque with the balance to be paid on delivery by credit card. The huge chair was delivered after dark in October 2000 by two men in a lorry.

The next day or days

Mr H used the chair and massage facility from October to December 2000. It did nothing for his back pain. He does not need the riser facility. He suspects the chair was not custom-built but just has his choice of fabric. Mr H learned from a Disabled Living Centre that riser recliner chairs are available for around £2,000. He is cross that he was not given a proper demonstration of the product nor a proper assessment of his abilities. He is also cross with himself for buying without proper consideration. There have been protracted dealings between his son and the company's regional manager, originally to

get a written re-sell offer, later to get a partial refund. Mr H has since corresponded with the company's customer relations department. It has declined to collect the chair and give a refund, pointing out that they were not informed of Mr H's dissatisfaction until three months after delivery of the chair. The company has a 7-day cancellation period.

Issues raised

Influential advertisement
Product unsuitable for person
Poor demonstration
Large deposit required
Personal specification questioned

CASE 2 : powered scooter

The consumer Mrs P has severe arthritis in her hands, feet, legs and spine

The cost £2,000

The invitation

Not reported.

The visit

Mrs P was given a demonstration by a salesman in late 1999. She suggested to him that the scooter was too heavy for her to assemble and dismantle. The salesman insisted she would get used to doing it. She bought the scooter for £2,000.

The next day or days

Mrs P found she did not have the strength to use the scooter. The company refused to take back the scooter and refund her money saying that it was sold as seen. Trading Standards Department have investigated but say it is difficult to claim it was not fit for purpose. Another company have offered her £1,000 if she traded it in for a new scooter costing £3,500.

Issues raised

Over forceful selling
Product unsuitable for person
Poor demonstration

CASE 3 : powered scooter

The consumers Following a stroke Mr U has difficulty speaking and reading and has reduced short term memory.

The cost £3,200

The invitation

In August 1998 Mr and Mrs U contacted the company and a visit was arranged.

The visit

The salesman came to the house with one scooter model. He provided no information on prices or the range of models available and left no brochures or pictures for their consideration. Mr U and his wife were given no time alone to discuss whether they wanted or could afford the scooter. The salesman stayed for a long time until the couple said they felt their heads were swimming. He impressed on them that he wanted the sale agreement signed at the time, since he had travelled a considerable distance and was due to go on holiday the following day - his first for 7 years. He offered a £350 trade-in price for their existing scooter. Mr U felt sorry for the trouble he had put the salesman to and signed the sales agreement without reading it and handed over a large cash deposit.

The next day or days

The couple worried overnight and next morning got help from a friend to read the agreement. They were horrified to discover the cost of the scooter - £3,200, and no mention of the offered £350 trade-in. Mr U immediately rang the company to cancel the order. The salesman returned his call the following day – when he was supposed to be on holiday - and pressurised Mr U not to cancel. On the next day Mr U got a friend to write to the company to cancel on his behalf. It replied 5 days later, stating that production of the scooter had started and the agreement could not be cancelled. Mr U was very upset by this. His son and daughter-in-law returned from holiday and rang the company eight times during the next two weeks - without ever getting through to the person called or getting a return call. One member of staff admitted their range of scooters started at £1,800. Another confirmed that the contract included a facility to cancel for a short time after signing. The scooter was delivered while the Us were out. Their family instructed a solicitor and four months later the company agreed to refund the deposit.

Issues raised

Over forceful selling
Poor demonstration
Large deposit required
Verbal agreements not written into the final contract

CASE 4 : adjustable bed

The consumers Mr and Mrs R are both around 80 years old and have arthritis.

The cost £5,282

The invitation

In June 2000 Mr and Mrs R completed an advertising slip in *Yours* magazine for a bed brochure. In response they were contacted by the bed company and persuaded to accept a visit instead.

The visit

The salesman stayed in their home for four hours. He was disarming and amusing but very persistent. He assured the Rs that the beds would fit in the space available between built-in bedside tables. Mr R signed an order agreement for two single adjustable beds with massage units and stay back units at a total price of £5,282. They paid half the cost (£2,641) as a deposit by credit card. The beds were delivered six weeks later and did not fit between the built-in bedside tables. The driver removed one table and subtracted £141 from the balance due for restoration of the wall and decorations. He left with a cheque for £2,500 and the R's own bed.

The next day or days

The following day Mr R telephoned and wrote to the company with a list of complaints: no headboards delivered as pictured in the advertisement; no support for pillows; very noisy massage facility; poor quality fittings; a 'formidable mass of trailing cables'; need to switch off the transformers at power points close to the floor to prevent overheating; did not fit space available; uncomfortable mattresses. Mr R pointed out the main reason for buying the beds was to ease Mrs R's arthritic pain in her neck, spine and hips: she found the mattress aggravated the problem. Mr R asked for the return of their own bed, collection of the new beds, refund of their deposit and gave notice that they had stopped the balance cheque for £2,500. The company's Customer Service Manager telephoned three days later and 'was very fast talking, aggressive and overbearing'. A week later the Citizens Advice Bureau wrote to the company in support of the Rs' rejection of the beds on the basis of the Sale of Goods Act 1979 as amended, since the goods supplied were not as ordered – not matching the description given and not of satisfactory quality. The company agreed to the Rs' demands apart from returning their own bed, which it claimed to have given to a charity before the Rs' first complaint on the day after delivery of the new beds.

Issues raised

- Influential advertisement
- Over forceful selling
- Product unsuitable for person
- Poor demonstration
- Large deposit required

CASE 5 : adjustable bed

The consumer Mrs D is over 80 years old with mental confusion, diabetes and Parkinson's disease.

The cost £2,980

The invitation

Mrs D cannot remember how the visit came about.

The visit

A friend, Mrs C, reports that Mrs D received a visit from a persuasive adjustable bed salesman when she was at home alone. During the visit the salesman reduced the price of the adjustable bed with massage facility from £4,617 to £2,980. Mrs D signed the order agreement and paid the full (reduced) cost by cheque.

The next day or days

The bed was delivered the following day and the old bed taken away. Mrs D could not use the bed, getting into very awkward positions – possibly dangerous bearing in mind her reduced mobility. Nor could she manage its massage facility, despite the company supplying a new remote control. These problems were reported to the company which refunded £900 as a goodwill gesture but refused to take back the bed and give a full refund. Mrs C wrote a detailed letter of complaint to the company, pointing out Mrs D's extreme frailty and vulnerability and again demanding a full refund on her behalf and a reply within seven days. Mrs C copied her letter to Age Concern England, *Yours* editorial and *Watchdog Weekend*. The company responded in five days with an offer of a further refund of £1,080, which was accepted and received promptly.

Issues raised

Over forceful selling
Product unsuitable for person
Poor demonstration
Large deposit - in fact full cost paid with order
Dramatic price reduction to induce purchase

CASE 6 : easy access bath

The consumer Ms E is over 70 years old and has arthritis

The price £5,765

The invitation

In Spring 2000 Ms E rang the company for a colour brochure on an easy access bath – with a side door, as advertised in *Yours* magazine. Because of her arthritis, she is unable to use a conventional bath. She was told the price would be £2,000. A demonstration visit was arranged.

The visit

Ms E lives in housing association sheltered housing, some distance from younger family members. During the visit the salesman told her the bath would cost at least £5,000 -

£2,000 being the starting point of the range. Housing association permission would be needed to install it but the salesman said he would take care of this for her. Ms E reports the salesman was of the 'high pressure type' - not suitable for older and disabled people especially those living alone. She was exhausted by the visit. They discussed and drew up a detailed specification. Ms E paid a deposit of £1,000 and signed an order agreement with an undertaking to pay a next instalment of £1,565. A further £350 was agreed for maintenance. A surveyor would come two days later to check out all the details. After the salesman left, after office hours, she realised the detailed specification was not attached to the agreement she had signed.

The next day or days

Ms E rang the company the following day. Nobody was available to provide her with a breakdown of the costs so she stopped the cheque. Finally she reluctantly paid but still had no detailed specification. A month later a plumber and assistant came to remove the old bath and install the new one. (The old bath was removed and destroyed before she could see the new one.) The plumbers arrived at 9.30 am and left at almost 7 pm, leaving a dirty floor that was also damaged by their tools. Towards the end of the installation Ms E was told for the first time that the water pressure was insufficient and the bath required a pump - for a further £350. The final total cost was £5,765. Ms E is unhappy with the sales method she experienced. She is delighted with the bath, though it takes some understanding and coping with. The door seal is unreliable and has failed more than once, causing a leak and flooding the floor below, so helpers have been checking it twice a week. A better seal is now used and checked more regularly. Ms E points out that this essential checking and cleaning of the seal requires considerable physical effort – beyond the abilities of many disabled people who might need such a bath.

Issues raised

Influential advertisement
Over forceful selling
Verbal agreements not written into the final contract
Buying additional item
Poor after sales service

CASE 7 : powered scooter

The consumer Mr P, aged 80, had given up driving and was now finding it increasingly difficult to walk.

The cost £3,600.

The invitation

In May 2000 Mr P saw a newspaper advertisement for a powered scooter, rang the freephone number and arranged for a demonstration at his home. The advertisement claimed the scooter would fit easily into the back of a family car.

The visit

The salesman took brief details of Mr P's abilities – but did not complete a table for body measurements in the sale agreement. These measurements should be taken to make a proper assessment of the prospective user's suitability for the product. The salesman gave a short trial in the drive and took Mr P out locally. Mr P lived on a hill, on a busy road which had a camber on the pavements. Mr P signed the sale agreement and paid a deposit of £1,800 by credit card. The sale agreement notes on the front that this was not a cold call and, hand written by the salesman, that the customer 'waives right to cancel for quick delivery'. Mr and Mrs P understood from the salesman there was the possibility that the company would buy back the scooter if there was a bereavement.

The next day or days

The scooter was delivered in June 2000 and Mr P paid the balance of £1,800 by cheque. Mr P used the scooter just twice as he could not cope with the uneven pavements and the dropped kerbs into roads with busy traffic. Also his eyesight was deteriorating. The couple could not lift any of the five parts that had to be dismantled to get the scooter into their car, let alone reassemble them. Mr P contacted the company and asked them to buy back the scooter and was shocked and upset when they replied that they did not have a buy back policy. Mr P contacted the company again in early August after his doctor had instructed him not to drive again, then the Citizens Advice Bureau wrote on his behalf. The company still would not buy back the product. Mr P died later that August. His son contacted BHTA for help, who started to process the case under their Complaints Procedure. However there was confusion over the company's parent company and it emerged that neither was a BHTA member, so they could not help. Mr P's son has argued with the company that the scooter was not fit for its purpose, but to no avail. He has also had advice from their Trading Standards Department, but the case remains unresolved. The Ps have been offered only £400 for the nearly new scooter by a warehouse specialising in secondhand scooters.

Issues raised

Influential advertisement
Product unsuitable for person
Poor demonstration
Verbal agreements not written into the final contract
Large deposit required

CASE 8 : powered scooter

The consumer Mrs L who is dependent on a powered scooter outside the home

The cost £1,380

Mrs L, who has been riding powered scooters for 10 years, bought a new scooter from a specialist supplier in November 2000, paying £1,380. She was not offered a test ride and felt pressurised into buying that day for a £100 discount. She was also pressurised into buying insurance, which cost a further £129. She advertised and sold her old scooter. The first time Mrs L went out with the new scooter to a busy shopping centre, it

repeatedly cut out, despite the batteries being fully charged. It was taken away the following day for repair and returned to her a day later. The repaired scooter also cut out at a shopping centre, every time she moved forward. The supplier came to collect Mrs L and the scooter and checked the key action, battery level and battery connections. It still cut out when he tried to move it forward and he had to push Mrs L and the scooter back to her car. The supplier's behaviour upset Mrs L. He implied that she was too heavy for the model despite the fact that it claims to have a much higher weight limit than her weight. Mrs L was asked to accept the scooter with another repair but she refused and has involved a solicitor. The matter has not been resolved. Mrs L lost her independence to go out, and about so has bought a second hand scooter, which has caused her financial hardship.

Issues raised

Over forceful selling
Poor after sales service

CASE 9 : two powered scooters

The consumer Miss L has cerebral palsy.

The cost £3,000

Miss L bought her first powered scooter in November 1999 - a second hand model. It turned out to be older than she had realised and it had a fault. The leads tended to disconnect when she rode down a kerb. The dealer was unhelpful and Miss L decided to spend more money on a new scooter. She paid £3,000 for an ex-demonstration different model in July 2000, from a different dealer, trusting that she was now buying reliability. In fact the new scooter broke down approximately once a month, again because the leads disconnected. The dealer's engineer was called out the first couple of times - and simply reconnected the leads. On other occasions the AA rescued her, then various trained friends. Miss L wrote constructive letters to the manufacturer and dealer about the apparent design fault. She received no reply and wrote again after a few months. This time the manufacturer replied promptly and sent an engineer to crimp together all the leads. They no longer disconnect. The manufacturer also responded promptly to a serious problem in April 2001 when the scooter failed dramatically and started to free wheel down a long sloping pavement. Only coming into contact with a rising drive across the road stopped the scooter and saved her from possible injury. The manufacturer replaced both gear boxes but Miss L's confidence in the scooter has been severely diminished.

Issues raised

Poor after sales service

BRIEF CASE 10 : redundant stairlifts

Consumers Pensioner couple.

Cost £3,500

Two new stairlifts were bought by an older couple for use by the husband costing £1,750 each. He died a year later. The supplier offered only £800 to buy back both stairlifts.

BRIEF CASE 11: Visit going beyond what had been agreed

Consumer Man of 84 home alone.

Cost total not reported; deposit £1,150

The family had made arrangements for someone to come to give an estimate for a stairlift. The salesperson failed to turn up so another appointment was made. None of the family were able to be present at the second visit so they emphasised that the person was just to measure up. The father was at home alone when the representative came to measure up. When the family returned they found that the representative had left with a signed contract and a cheque for a deposit for £1,150. When the family tried to cancel, the company's solicitors threatened legal action if the balance of the contract was not paid.

BRIEF CASES 12: high maintenance costs of stairlifts

A Consumer bought a stairlift. Having signed a cheque for £2,500 she was told that this did not cover maintenance and repairs. She would have to pay another £500. She could not afford to pay that but the company repeatedly telephoned her, urging her to take out the maintenance contract.

B The purchase of a stairlift included a service at the end of the first year. Consumer told that the terms for extending the service warranty would cost £595 a year. The company stressed that the consumer would have no peace of mind if this was not paid.

C Stairlift company quoted a consumer £495 for an extended warranty for four years. When the company kept telephoning about it, the consumer asked for a quote to cover call out charges only. The company said that it was their policy to respond to call outs from the hundreds of people that have contracts first, and she would be at the bottom of the list. Could she do without a stairlift – could she manage? The consumer says it felt like blackmail and that she should have been told that servicing would cost this sort of money when she bought it.

BRIEF CASE 13 : misleading advertising

An electric wheelchair was advertised for sale in a catalogue for £1,999 with £650 discount voucher. Eventually the consumer was told that the discount could be obtained only if the wheelchair was bought with certain optional extras costing £300.

ANNEX B

MYSTERY SHOPPING EXERCISES

During consultation with a wide range of advice agencies, we found that a handful of companies were known to be often complained about.

We secretly recorded six visits with six different companies. They all lasted for some time - up to 2 hours, despite our shoppers sometimes claiming to have another appointment soon. Below we summarise what went on at each visit. There are a number of other similarities in the way the salespeople did their business.

Following each summary we reproduce the response from each company concerned.

EXERCISE 1 : Niagra

Mrs V, a wheelchair user, invited a demonstration from a Niagra salesman on a riser recliner chair. Her husband was present during the demonstration. The salesman asked what Mrs V's condition was and spent a considerable time explaining the benefits of Niagra Therapy. Mrs V questioned whether he was a doctor, which he denied but said he was trained in Niagra Therapy. He claimed a number of times that Niagra Therapy increased blood circulation and helped thousands and thousands of people with, for example, cramp, rheumatism, Parkinson's disease, multiple sclerosis, stroke, stress, arthritis, asthma and constipation. He pointed out that Niagra Therapy had never actually cured anybody of anything, but it had helped them. The chair contained a massager. He spoke of the risks of gangrene for paraplegics if blood circulation was not maintained, but claimed that he did not want to frighten them. Mr V, a paraplegic for over 50 years without gangrene, was sceptical.

The salesman spoke at length of Niagra's ongoing commitment to research and of their many referrals and associations with, for example, Arthritis Research Campaign, the Pain Society and National Asthma Campaign. He explained the benefits of a bed with Niagra's massage facility, boasting that it was promoted by Gloria Hunniford. Finally Mrs V managed to move him on to chairs. He had come with neither bed nor chair sections nor samples but with a hand-held massage unit, which is also built into Niagra beds and chairs. He showed pictures of the chairs available and later offered to take the Vs to a nearby recent customer who "absolutely loved her chair". He said "Generally speaking I think it would be very good for you" and later "I think it will help you medically". He quoted a price of £4,350 without VAT given the V's disabilities. He would like a 25% deposit but would accept less. He did not reduce that price but did calculate a medical healthcare package to pay in instalments. He also pointed out that over a 10 year life of the chair, it would cost a mere £450 a year, £8 a week, just over £1 a day. He also offered a less expensive model for £3,715.

The salesman told Mr and Mrs V that the chair would be "delivered by two very smart gentlemen" who would give instructions on its use. Two or three days later, the salesman would return to make sure everything was to their satisfaction. He admitted one or two

people found their chair a little too noisy: Niagra found they had “fairly cheap carpet with no underlay and things like that”. Asked whether Niagra was a member of a trade association, the salesman said he had never been asked that and went on to say that they were “approved under the Medical Devices Act”. They exhibited at the Ideal Homes Show and others - but when asked said not at Independent Living Exhibitions. They mostly sold from the demonstration. He finally said that Niagra had no problems finding customers - they got 2,000 enquiries a week from leaflets like those they put in *Saga* and other magazines. The salesman’s pitch continued in three telephone calls following his visit, in one stating that Mrs V should not spend money on her garden but on his chair instead, to improve her health.

Company response

Niagara Health Care plc
Middleton House
43/49 High Street
Horley
Surrey
RH6 7BN

Ref: IJM/emh/ricability

24 January 2002

Dear xxxx

We are writing further to your letter of the 14 January and to the subsequent receipt of the tape recording of the visit of our agent, xxxx to your mystery shopper on 26 June 2001.

We have listened carefully to the tape and would agree that the summary that you have compiled from the recording is, broadly speaking, a fair reflection of the visit.

We would like to add a couple of comments from our perspective. The first is that as a Company, we would not endorse the use of an example as shocking as gangrene to explain the dangers of poor circulation. Whilst is both true and was moderated by Mr xxxxx stating that he had no wish to frighten the customer, it is not something we include in our training and we are taking steps to prevent it’s use in the future.

The only other item that warrants comment is our “association” with the Arthritis Research Campaign, The Pain Society and The National Asthma Campaign. These “associations” are not so and this will also be addressed internally. The source of this mistake is contained in information sheets, copies of which I have attached. These are items, approved by our medical advisors, that were produced for information purposes, which help to explain how and why the Niagra modality may help suffers from certain conditions. As you will see the organisations quoted are listed as sources for more information, not as associations of ours.

Finally, both our products and company are registered with the Medical Devices Agency, not approved under the Medical Devices Act, as stated.

By way of reiteration, we confirm that we will be addressing the items I have highlighted in this letter, otherwise I believe the summary to be a fair reflection and the visit to have been professionally handled.

Notwithstanding this, we welcome all assistance in maintaining standards, as we are a company with over 40 years history of trading in the UK. We are as determined as any to ensure the best ethical standards, especially in the market place of the elderly and or disabled. Our recent acceptance for membership of the British Healthcare Trades Association is an endorsement of that intent.

We will be interested to learn where and when your report will be published and should you require any further assistance, please do not hesitate to contact me direct.

Yours sincerely

Irving Milsom
Group Managing Director

EXERCISE 2 : Nationwide Mobility

Mr S, with a bad back and arthritis, invited a demonstration from a Nationwide Mobility salesman on a riser recliner chair. The salesman got on promptly to explaining the attractions of the chair. Different parts could be operated separately. He claimed that the company advertised extensively in *Saga*. Mr S asked early on about prices and was told they varied according to size so he would have to be measured first. The salesman brought in a chair from his car and demonstrated its features including optional massage therapy and heat. Mr S was asked to indicate which he liked the look of from a brochure. The salesman pointed out a two for the price of one offer - one electrically operated and one manual chair, but when told Mr S was interested in just one, the salesman confided that it was a better deal if you did not have both, with no further explanation. He asked what price Mr S was expecting, who replied that one of the companies he had approached had said £500 to £1,200. The salesman said their manual chair was £1,200 and gave the price of the electrically operated chair as £2,469 or £2,715 with the massage unit. When asked by Mr S if a better price was available, the salesman said he could ring his office and ask if the price could be trimmed, but it would not be less than £2,000 and the sales director would want Mr S to commit to it. While speaking to his office, the salesman asked how Mr S would pay for the chair and was told by credit card. The offer from the office was the Dorchester model for £1,700 without massage unit and £1,875 with massage unit, because of another trade deal going through – a bulk order that a single order could be attached to. That was “a more or less take it or leave it situation”. Mr S said that was very cheap but he would still need to think about it. The salesman left soon after this.

Company response

Nationwide Mobility Ltd
Mobility House
4 Windsor Way
Aldershot
Hants
GU11 1JG

7 February 2002

Sharp selling practices

Thank you for your letter of 17 January and the enclosed synopsis of our sales agent's visit to Mr xxxx.

I understand from your letter that the purpose of your study is to investigate the use of forceful selling methods to older consumers. You will undoubtedly be familiar with what transpired between our sales agent and Mr xxx and so will realise that Nationwide Mobility do not employ “sharp selling practices”. I would, however, like to offer the following clarifications on certain points.

Nationwide Mobility currently offers a free handle recliner with each electric recliner purchased, however this offer is not appropriate to each of our customers. Many are widowed and therefore have no use for a second chair. Others have only a limited space in their living rooms and so can not house two new chairs. Others, like your Mr xxxx simply do not want a manual recliner. In order to accommodate such customers, we offer a discount from our list prices should they refuse the second chair, thus ensuring that they too benefit from our current offer.

As stated in your report, our sales agent started exploring the possibilities of securing a better price for Mr xxx only when prompted to do so by the latter. There will, at any time, be various reasons why the company may be able to offer a greater discount than usual, though this will normally limit the customer's choice as these discounts are dependent on factors such as what surplus stock the company has acquired due to overproduction or previous customers' cancelling their orders etc. Our sales agent offered Mr xxx the best possible price saying this was a "take or leave it" offer and left. No pressure was therefore exerted on Mr XX.

I am sure you will take these facts into consideration when preparing your report. Should you have any further queries or require further assistance, please do not hesitate to contact me.

Yours sincerely

Andrew Lodge

EXERCISE 3 : Churchill

Mr S also invited a demonstration from a Churchill salesman on a riser recliner chair. He arrived and informed Mr S that the salesman who usually covered this area was in his 70s and had suffered an asthma attack. He brought in a chair and claimed to be the only company that do this, saying how scary it was how many people buy without seeing. It took a while to set everything up but then the demonstration of what the chair could do started. Each chair was made for the person. As options there were heat and a massager which was tried on Mr S at different intensity settings. The salesman explained this muscle vibration would increase circulation. The chair had a beech frame and was an English product with a German motor. Mr S asked the price and was told straightaway £2,500 with the massager. The salesman said this was good value at the moment, having sold at £3,300 the previous year. He had got into the business through his father, who had had a stroke, being helped by one. Delivery would take four to five weeks realistically – the chair would be custom-made. Mr S asked if £2,500 was the lowest price and was told it was. He had been expecting to pay about £1,500. A manual version was available for just under £1,000. Without the massager the electric version was £2,150. Occasionally they might be able to save a bit if a trade order was going through – they supplied a lot of nursing homes, 10-15 chairs at a time. That would bring down the price by about 25%. The salesman offered to ring his office to see if anything was going through – but in fact at no point did he do this. He also said that VAT would be saved on the chair because it counted as a medical aid. The salesman soon packed up and left.

Company response

Churchill's Stairlifts plc
Churchill's House
15 Beeston Court
Manor Park
Runcorn
Cheshire
WA7 1SS

17 January 2002

Ref: Your letter dated 14 January 2002 Sharp selling practices

Dear Sirs,

Thank you for your letter for the details of the mystery shopping exercise. I was also pleased that our representative did his job correctly.

Churchill's as good practice carries out its own mystery shopping exercises on a regular basis together with other good practices as listed below.

1. Churchill's does not cold call potential customers and therefore only attends people who have contacted ourselves.

This we find is the best way to sell our products, we do know of other companies who do operate cold calling and unsolicited sales policies, but it is not Churchill's policy to do so.

2. Churchill's representatives when arranging appointments go through a preliminary evaluation of a potential customer again for good practice, this includes identifying the needs of the individual and in all cases asking them if they would like a friend or family member to be present at the demonstration to assist them in making a decision and to offer help and advice.
3. It is our policy and has been for a long time wherever possible to always demonstrate the product type to the customer (as can be seen by your mystery shopper this was carried out correctly.)
4. Churchill's operates an extensive Customer Service Department with fully computerised information systems, this allows Churchill's to rapidly identify customers with a reference number.

In conclusion we realise that we operate in a very sensitive and sometimes demanding market place and always try to satisfy each and every customer.

However we occasionally make mistakes and it is our policy to continuously improve our service where ever possible and would welcome a meeting here at Head Office to show yourselves or indeed Age Concern our procedures at which point any new ideas and improvements could be discussed.

Yours sincerely

C J Paterson
Managing Director
Churchill's Stairlifts plc

EXERCISE 4 : Craftmatic

Mrs V, a wheelchair user, invited a demonstration from a Craftmatic salesman on an adjustable bed. He arrived and immediately offered her a packet of biscuits as a small gift. Within a few minutes he referred to his wife who had died and mentioned her a number of times during the rest of the visit – she had died of cancer. He showed a video, of almost 20 minutes length, about the company, but fast forwarded it when Mrs V said it had rather a lot of waffle. He explained that the bed had a massage facility and a memory position, which he felt was a very important feature – it maintained a setting for the user’s most comfortable position. He emphasised the importance of people remaining independent - more reference to his late wife and to Mrs V’s determined independence. Another advantage of the bed – it made itself so a person had no need to bend down.

Mrs V and the salesman moved to the bedroom where Mrs V declined to get on to her bed. The different positions achievable with the Craftmatic bed were explained and then the massage facility was demonstrated on Mrs V with a hand held unit: this would be built into the bed and would help her circulation. The salesman brought in a sample mattress and went through a book to show how it worked - supporting the body well. He then told Mrs V the prices. The Monaco beds, supposed to be top of the range, cost £4,171.25 for a 3 foot single. He preferred the Craftmatic 1 bed, available in a number of widths from 2 ft 6 in to 9 ft. The 3ft single model would cost £3,642.50. A Craftmatic dual system – two three foot beds, separately adjustable - would cost £7,167.50. He asked if she wanted two beds or one. Mrs V commented that two cost a lot of money. From that point the salesman worked on the single price. He continually interrupted himself with other information, such as complaining that double glazing salesmen hassled people and ruined it for people like him. Without prompting he then proceeded to reduce the £3,642.50 price: £200 off; £542.50 (VAT saved as Mrs V was an Orange Badge user); there was a further £200 off in lieu of getting a TV, video or microwave oven; £150 off for taking away her old bed. The bed would cost £2,550 today instead of £3,642 if she left it. The controls could be disengaged if children were there. His daughter-in-law had just given birth to twins. Mrs V said she would have to think about it. He said “That’s a pity because by thinking about it, it’s going to cost you money”. They both agreed it was a good bed but Mrs V insisted she was not an impulse buyer. The salesman rang his office and spoke of Mrs V’s disability and love of the bed. A further £200 reduction was achieved if she would agree to be used as a referral – she might have to write a letter of praise. Alternatively there was the Classic bed, without a memory or timer, for £2,009. Mrs V still wanted to think about it. He would see if they could do the Classic with memory and all the controls they had talked about for £2,009. Mrs V didn’t want to say Yes or No now. The salesman said “Unfortunately you need the bed and you know how good the bed will be”. He rang his office again and got Mrs V to speak to them. The final reduction was offered: the bed for £1,200. Mrs V admitted this was making her slightly suspicious. The salesman said she shouldn’t be: he had explained she needed the bed; the company wanted to get into the area; there were beds they did for special cases – they liked to do their bit for the community. Mrs V asked for a note of the prices. She was given the salesman’s number in case she changed her mind later that day. The salesman left.

Company response

Craftmatic UK Limited
38a Milton Park
Abingdon
Oxfordshire
OX14 4RT

24 January 2002

Dear Sirs

Thank you for your letter dated 14 January 2002. We appreciate your review.

We can only suggest that you clearly emphasise the courteous manner of which our representative conducted himself while in compliance during his sales presentation format.

We feel that it is our obligation to offer our clients ever opportunity to enjoy a better life by helping them achieve the best in rest.

I am sure if your Mrs xx was truly interested in an adjustable bed she would have become another satisfied Craftmatic customer.

We appreciate your input.

Yours sincerely

Stan Kraftsow
President

EXERCISE 5 : Bath-Knight

Mrs V also invited a demonstration from a Bath-Knight salesman of their electrically operated bath lift. He started by asking how she managed in the bath and was taken to see her bath board. The salesman checked the bath to see if it was suitable for a Bath-Knight and explained how it would be fitted and how it would work in her bath. There were two models, the latest being slimmer so it did not protrude into the bath so much, and having a back-up battery in case of mains power failure. The company had begun in 1990 supplying nursing homes and had moved into the domestic market in 1993. They now advertised in the press and on TV. The salesman spoke briefly about the choices available – a walk-in bath or a bath chair lift. He got from his car a half-bath model and demonstrated the Bath-Knight on it. He described its features including a button that had to be pressed all the time the lift's seating belt was lowered or raised. He spoke of a man who had not been suited to the lift – he weighed 27 stone. The salesman sat on the lift and demonstrated how to use it, plus techniques for transferring across from a wheelchair. Fitting it would be quite straightforward and carried out by their own fitters who were very good and very tidy. He asked if Mrs V wanted to try it and when she declined, asked if she thought she would be able to manage it. Mrs V was concerned about balancing as she descended and having to push the button as she moved down, because of arthritis in her shoulders. The salesman responded that in four to six weeks time a remote control would be available – he thought probably at no extra cost. Mrs V thought the product a good idea. The salesman said he would telephone her when it was available and come to demonstrate it. He gave the cost of the Bath-Knight as £1,245 including fitting and excluding VAT. He pointed out that this compared to £5,000 for a walk-in bath and £700 to £800 for a bath chair lift. His mother had a Bath-Knight and loved it. Mrs V could “give it a go” with the new remote control and if she did not think it was for her, so be it. They would not supply to people who were likely to have accidents in the bath – he gave examples of a man with balance problems and a paraplegic teenager needing back support. When asked he said the company demonstrated at Naidex exhibitions and should think about the Ideal Home Exhibition. They chatted a little and then the salesman left. Some weeks later the salesman telephoned Mrs V with information on their new remote control and readily accepted her decision that she did not wish to see the product. Mrs V had no criticism of the salesman or his selling methods.

Company response

Bath-Knight
Silver Crown Associates Limited
Unit 3 Etruscan Trading Estate
Etruria Road
Hanley
Stoke-on-Trent
ST1 5NH

21 January 2002

Dear xxxxxxx

Re: Sharp Selling Practices

Thank you for your letter dated 14 January 2002 and the transcript of the demonstration for your mystery shopper Mrs xxx, which was conducted by our advisor Mr xxx.

From your initial information supplied we can confirm that this demonstration was carried out in keeping with our guidelines and the ongoing training given to all our advisors.

The company puts great emphasis on good Customer service, starting with the home demonstration to allow the potential user to assess the suitability of our product to the individuals needs.

All installations are carried out by factory trained fitters, and at least 5% of the completed work is inspected by our management team to ensure compliance to our high standards and customer satisfaction.

We would like to point out that 10% of our business is generated by delighted customers who recommend our product to their friends and family, which has made Bath-Night the market leader.

Yours sincerely

Annette Greenwood
Managing Director

EXERCISE 6 : Adjustamatic

Miss S, who had had back problems, invited a demonstration from an Adjustamatic salesman on their adjustable beds. She lives in a first floor flat and it took some time to bring up his 2 ft wide demonstration bed – to give her the opportunity to make sure that it was suitable for her. Adjustamatic manufacture the beds and could make them with or without massage. Miss S commented that the noise with the massage on might keep her awake. The salesman responded that the demonstration model was a little bit noisier than the supplied beds. Soon Miss S was lying on the 2 ft bed – and stayed there for some time while the salesman explained how the special mattress was designed to hold and cradle her contour shape. This was achieved by creating a reverse curve at the crease of the mattress, which cradled the reverse of her back. The salesman explained how bad mattresses exacerbate people's back and knee problems. The different positions achievable were demonstrated – including raised feet or head. All would take pressure off her body. Did she have any questions on the posture side – did she think it would do the job she wanted it to do? He ran through the posture features again then spoke of the optional therapy side. A vibrator could be built into the mattress for any circulatory problems such as cold feet, cramp, migraines or arthritis. This was the medical side of the bed: the company supplied hospitals and had medical recognition that it helped with a list of conditions which he pointed to. He mentioned a well known heart consultant. He explained that Adjustamatic was the sister company to Niagra. He asked if Miss S liked the therapy side but she did not, so he switched it off. Her control panel would therefore not be as large as his demonstration one.

Miss S asked the price of the beds and was told that 3 ft beds started at £1,175 without a headboard and without therapy, double beds started at £1,950. He explained Adjustamatic's wall hug action: with the head raised the user would still be able to reach their bedside cabinet. A 3 ft bed with therapy would cost £3,000, but the salesman pointed out that if people were not going to use the therapy, that would be a total waste of money. The bed would be custom-built. A single bed with wall hug action would cost just under £2,000. Miss S did not require wall hug action nor a headboard, so the price was £1,175. She said she would need to think about it. The salesman asked if there was anything apart from the price that she needed to think about. A 3 ft 6 in bed came with wall hug as standard, at £2,175. When asked again whether the bed was likely to suit her, Miss S said she would not know until she tried it. The salesman said the company gave people 30 days to decide whether they liked the bed or not, and if not they would get back all their money. He asked if there was any reason Miss S did not want to go ahead today. She explained that she was trying to move house. The salesman pointed out they often had people going into nursing homes but not moving for six months. Their order could be put on file and then delivery, to a different address, could take place six months later. Should he arrange all that for her today? Miss S thought not. She was asked how she felt on the bed. The salesman handed over his card. Might she buy the bed even if she didn't move? She fully expected to move. He explained that he had about 10 appointments a week and sold to about six or seven of those. He talked more about reverse curves and said that the mattress was patented to Adjustamatic, comparing it with poorer latex mattresses in shops. The company gave a five year guarantee and an optional service agreement after that. He asked what price did she think the beds were likely to be and she said double the starting cost he had given. She asked why no prices were given in the brochures nor when she asked by telephone. This was because they did about 147 styles. They talked about house buying and then the salesman left.

Company response

Adjustamatic Beds Limited
Dartel House
2 Lumley Road
Horley
Surrey RH6 7RJ

Ref TS/emh/ricability

24 January 2002

Dear xxxx

We are writing further to your letter of the 14 January and to the subsequent receipt of the tape recording of the visit of our agent xxxxxx to your mystery shopper on 25 June 2001.

We have listened carefully to the tape and would agree that the summary that you have compiled from the recording is, broadly speaking, a fair reflection of what took place.

We have found it difficult to find anything that our agent either overstated or oversold, indeed our overriding opinion is that it was a well presented demonstration and would be surprised if your mystery shopper did not find it so.

There is one comment that we have picked up and which should be corrected; that is when our agent stated that our mattress designs are protected by patent. This is factually untrue; the only protection is by way of our trademark, which forms an integral part of the ticking that covers the mattress.

Apart from this one item, we have little to add and would agree that your summary is fair.

Notwithstanding the detail, we welcome all assistance in maintaining standards as our group of companies has a history of some 40 years trading in the UK. We are as determined as any to ensure the best ethical standards, especially in the market place of the elderly and or disabled. Our recent acceptance for membership of the British Healthcare Trades Association is an endorsement of that intent.

We will be interested to learn where and when your report will be published and should you require any further assistance, please do not hesitate to contact me direct.

Yours sincerely

Tim Savage
Group Sales Director

ANNEX C

Sale of Goods Act 1979 as amended by the Sale and Supply of Goods Act 1994

Consumers have a right to expect that goods sold to them fit their description, are of satisfactory quality and are fit for their purpose. If the consumer tells the trader the goods are required for a specific purpose and the consumer reasonably relies on the trader's skill or judgement, they must be fit for that purpose. If goods fail to meet any of these requirements, the trader and not the manufacturer is legally responsible for putting things right. A consumer can reject the goods and claim a refund in certain circumstances, which will depend on the nature of the complaint and how quickly they act. In all cases the consumer can claim compensation for any loss he or she has suffered, such as the cost of repairs.

Consumer Protection(Cancellation of Contracts Concluded Away from Business Premises) Regulations 1987 (amended 1998)

These Regulations give consumers the right to cancel if they have bought goods or services costing over £35 as the result of a visit from a salesperson which they did not ask for. Consumers have seven days to change their mind and cancel the contract and the salesperson must give the consumer written details of their cancellation rights and a cancellation form at the time of the agreement. The Regulations also apply to visits that the householder agreed to as the result of an unsolicited telephone call or earlier visit from the trader.

Consumer Protection (Distance Selling) Regulations 2000

These provide protection for consumers when they buy goods through an organised distance sales scheme without being able to see them and have had no face-to-face contact with the supplier before the agreement is concluded, so have been unable to obtain detailed explanations or demonstrations from a salesperson. With some exceptions the Regulations cover items bought by telephone, mail order, fax, digital television or on the internet. In particular consumers can change their mind and cancel their order up to seven working days after the day they received the goods, provided this is put in writing.

Stop Now Orders (EC Directive) Regulations 2001

These empower British consumer protection bodies such as the Director General of Fair Trading (through the Office of Fair Trading) and local trading standards departments to apply for a court injunction to prevent traders from repeatedly breaking the law. However, the Regulations cover the following areas only: misleading advertising, doorstep selling, consumer credit, TV broadcasting, package holidays, medicinal products advertising, unfair contract terms, timeshares, distance selling and the sale of shoddy goods and associated services.

Control of Misleading Advertisement Regulations 1988

Under these Regulations the Director General of Fair Trading has the power to support and reinforce existing advertising controls. If he thinks that an advertisement should be

stopped, he can do this by means of applying for a court order. This power also applies to oral representations made by a business in order to promote the supply of goods or services.

Consumer Credit Act 1974

This gives protection if goods that have been bought by credit (using a credit card or credit agreement) and cost £100 or more turn out to be faulty or do not match what the consumer was told and relied on when buying them. The credit company is equally liable with the trader for breach of contract or misrepresentation.

A consumer can change their mind if the goods have been paid for by entering into a credit agreement (but not paying by credit card) provided they signed this away from both the trader's and finance provider's business premises. There must also have been face-to-face contact and verbal exchange beforehand between the salesperson or finance provider and the consumer. The trader must give the customer a copy of the unexecuted credit agreement, which must contain notice of the consumer's cancellation rights, when he or she signs the credit agreement. A copy of the executed agreement must be sent through the post to the consumer within seven days of the creditor's signature. The contract is not binding until the consumer receives the executed agreement. The consumer has five days to cancel starting on the day after receiving this second copy.

If a trader is licensed by the Director General of Fair Trading under the Consumer Credit Act, or is acting as an agent of a licensee, the Director General can take evidence of sharp selling practices into account when considering whether the trader is fit to hold a licence.

Unfair Contract Terms Act 1977 and Unfair Terms in Consumer Contracts Regulations 1999

The Regulations aim to ensure that consumers are not disadvantaged by unfair standard terms (not individually negotiated terms) in the small print of contracts. Also, under the Act, traders cannot take away the Sale of Goods Act rights of consumers by putting exclusion clauses into the contract. For example, it is considered to be unfair under the Regulation for the contract to give the trader rights to significantly vary the terms of the contract, such as the agreed price, without giving the consumer the right to withdraw from it. However, the Regulations do not apply to how much is to be paid unless this is not clear and so does not relate to value for money issues. Only a court can decide whether a particular term is unfair but if it does, the term will be unenforceable. The Director General of Fair Trading, utility regulators, the Consumers' Association, Information Commissioner, Financial Services Authority and local trading standards departments can take action under these Regulations.