



CODE OF PRACTICE

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Administered by
The Direct Marketing Association of Singapore
37 B Kreta Ayer Street
Singapore 089001

FORWARD FOR DMAS CODE OF PRACTICE

Mail order and television shopping is becoming more common place as direct marketing companies “blitz” housing estates with promotional catalogues and advertise vigorously on television. CASE has received many complaints on direct marketers’ practices. Some examples of problems encountered by consumers were long delays in receiving the goods ordered and paid for, goods not turning up at all, goods differing from those advertised and faulty goods.

If the image of the industry is not to be tarnished, responsible direct marketers must take it upon themselves to stop such malpractices. In 1976, CASE set up an advisory council, the Advertising Standards Authority of Singapore (ASAS) to ensure ethical advertising practices in Singapore. ASAS uses a set of rules, the Singapore code of Advertising Practice (SCAP), which covers not only matters such as offensiveness and truthlessness but also the particular problems which arise from advertising certain products such as medicines and alcohol. Advertisers, agencies and the media have agreed to observe both the letter as well as the spirit of the Code.

In this instance, the SCAP complements the law in maintaining the standards of fair dealing and honest trading the community is entitled to expect. This system happens to be not only very effective, but is also quick and inexpensive. It is also responsive to the industry’s needs, being administered by the industry’s participants.

We are very glad to note that the Direct Marketing Association of Singapore (DMAS) has seen it fit to formulate their own Code of Practice. As DMAS has been represented on ASAS since August 1989, CASE has confidence that DMAS would have the knowledge to implement its Code effectively.

CASE hopes that DMAS’s earnest commitment to consumers and an enthusiastic desire to serve will encourage other retail industries to self-regulate for greater professionalism and service quality. Customer service and satisfaction should be perceived as a long-term investment, one that will give the retail business a distinct competitive edge. A committed and structured approach to customer satisfaction and consistent delivery of quality service to customers are the basic and essential contributors to any company’s continued prosperity and growth.

This Code is only a beginning. It will need to be constantly updated to keep up with new technology and marketing practices. It will need to be fine tuned and amended where gaps are revealed or present rules shown to be inadequate or inappropriate.

We commend the DMAS for their Efforts in formulating this Code.

Dr Toh See Kiat
President
CASE

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I. CODE OF PRACTICE

I.1 INTRODUCTION

- I.1.1 The Association has as one of its primary objectives to establish, maintain and support a credible and effective system of self- regulation that will meet the reasonable expectations of consumers and businesses regarding the conduct of the Direct Marketing Industry and of its Member companies.
- I.1.2 The Association has set standards of ethical conduct and best practice to be followed by its Members in this Code of Practice which has the support of the Consumers Association of Singapore (CASE). The Association reserves the right to refuse or withdraw Membership to an applicant who does not conform to this code of practice.
- I.1.3 Members, undertake to adhere to the Code and accept that a breach of its terms may result in disciplinary proceedings. Members accept further, that they will accept -and abide by any conclusion reached by the “Code of Practice” committee in such proceedings, subject to any right of appeal to the Executive Committee of the Association.
- I.1.4 The Code is intended as an instrument of self-discipline for Members. It lays down principles to be adhered to by them in their direct marketing or related activities and sets out accepted practices in the conduct of their business which they regard as being in the interests of their customers and the public. Its purpose is also to promote the highest quality standards in the industry, greater consistency in practices and understanding of the way in which the industry operates.
- I.1.5 The Code is also the reference document to which recourse is needed in any dispute between a Members, their customers and the general public and between Members themselves.
- I.1.6 The Association has established a "Code of Practice" committee of the Direct Marketing Association, which is responsible for supervising and monitoring the operation of the Code of Practice.

I.2 INTERPRETATION

- I.2.1 For the purposes of the Code, the word "advertisement" is to be taken in its broadest sense and is to include all forms of selling communication: written, visual, electronic or door to door...

- I.2.2 The term "offer" means any presentation of goods or services with the intention of soliciting orders for their purchase or lease.
- I.2.3 Members should note the distinction in language adopted in the Code. The use of "shall" indicates a specific binding requirement; the use of "should" is less binding but indicates a requirement by which it is expected Members would abide but from which a departure could be accepted in the light of the circumstances.
- I.2.4 The Code of Practice committee shall judge what is considered "reasonable" in the context of the Code.
- I.2.5 Members may adopt any or all of the recognised forms of direct marketing, comprising all communication activities offering goods or services or transmitting commercial messages including but not limited to:
- * presented in a catalogue, newspaper, TV or magazine advertisement
 - * by brochure, insert or other form of printed promotion
 - * by postal advertising to an individual or hand-delivered to an address
 - * by telephone
 - * by television, videotext, telefax, radio or cable services or similar medium
 - * indirect or "doorstep" selling
 - * by poster aimed at informing and soliciting a response from any person to whom it is addressed or who is likely to be reached by it.

I.3 OBLIGATIONS OF MEMBERS

- I.3.1 Members undertake to honour the Code in the spirit as well as in the letter: in other words, not to treat its provisions as obstacles to be circumvented by legal ingenuity. DMAS, in seeking compliance with these standards, will therefore pay as much or more regard to the spirit shown towards the consumer than to the literal reading of any specific provision of these standards.
- I.3.2 Members acknowledge, in addition to the obligation to their customers, an obligation to the general public, to each other and to other businesses.
- I.3.3 This obligation comprises the use of selling-methods that are consistent with high standards of integrity, in promises that are honest and intelligible, in performance that matches promises, in terms that are fair and equitable and in products or services that match claims.
- I.3.4 Members shall not produce for dissemination or dispatch literature or other material which is vulgar, dishonest, indecent, illegal or likely to cause widespread offence to recipients or

others. Furthermore, Members shall report to the Association any such material of which they become aware so that it can consider issuing advice to other Members.

- I.3.5 Members are expected to comply in all respects with legislation affecting their businesses. Any breach of such legislation resulting in a conviction or the serving of an order or notice may be considered as a disciplinary matter.
- I.3.6 Members should pay attention to the relevant legislation not stated herewith and recognize that compliance with the Code does not necessarily guarantee compliance with relevant legislation.
- I.3.7 Members shall not copy the material of another Member or another's business so that there might be confusion between them in the public eye.
- I.3.8 Members shall invariably seek to act fairly and reasonably in their business and customer relationships.
- 1.3.9 Members undertake to ensure that they do nothing which could damage the public image of direct marketing or of the Association. Members are encouraged to strive to 'enhance the stature of direct marketing.
- 1.3.10 Members shall recognize that in the context of this Code they are normally responsible for any actions (including the content of advertising) taken on their behalf by their sales agents, their agencies, their direct marketing suppliers and others.
- 1.3.11 A Member acting as an agent or supplier for a non-Member's direct marketing activity shall encourage and advise the non-Member to act within the Code. If the non-Member client does not take that advice, the Member shall insist that the Code is followed in respect of any work in which the Member is involved, as a condition of acting for the client.
- 1.3.12 Recognizing the status that is accorded to Members in their Membership of the Association and their adherence to its Code, Members should include the Association's symbol in their direct response advertising or selling communications, other than in simple advertisements intended to keep the name of the Member in the public eye. Similarly, Members should display it in correspondence, including invoices and billing reminders, to their customers and the public. A guide to Members on the use of the symbol is contained behind.

II. MEMBERSHIP PRACTICES: SPECIAL RESPONSIBILITIES

II.1 AS A LIST OWNER:

- II.1.1 The List Owner is the person or organisation with proprietary rights in any list containing personal data, whether or not compiled.
- II.1.2 The List Owner shall ensure that personal data in a list are as up to-date as is reasonably practicable.
- II.1.3 In respect of a Consumer List the List Owner shall provide a Warranty to the effect that:
- it is the legal owner of the data;
 - requests for the correction or deletion of inaccurate data, for the suppression of deceased names or for the marking of disputed data will be complied with no later than 60 days after receipt
 - the data has been updated in respect of most recent transactions by individuals included in the list, which shall not, in any case, be more than 180 days earlier.
- II.1.4 In respect of a Business List, the List Owner is recommended to provide a Warranty, to an extent practicable, reflecting the warranties in Paragraph 11.1.3 above.
- II.1.5 The List Owner should ensure that any information supplied about the list is accurate and should use its best endeavours to ensure that the information provided by the List Manager or List Brokers is not misleading nor incorrect.
- II.1.6 The List Owner should make every effort to update and rectify the return of "gone aways" or "undeliverables" and instigate list updating on a regular basis.
- II.1.7 Where the List Owner could reasonably anticipate that the percentage of pieces returned as "gone-aways" or "undeliverables" might exceed 5% for a "responder" list or 8% for a "compiled" list, the List User shall be so informed.
- II.1.8 The List Owner shall ensure the List User is provided with the Warranty referred to in paragraphs II.1.3 above and shall obtain from the List User or List Broker the Warranty described below.
- II.1.9 The List Owner is recommended to ensure that the list is adequately seeded for security purposes.
- II.1.10 Reasonable care shall be taken to avoid minors on the list where product offers are suitable for adults only. .

II.2 AS A LIST MANAGER:

II.2.1 The List Manager is the person or organisation appointed by a List Owner to market or sell specific lists and to be the recipient for all enquiries and orders.

The List Manager is responsible to the List Owner and receives a negotiated management fee for all businesses emanating from the marketing of the lists managed.

II.2.2 The List Manager should endeavour to ensure that all published information provided for the lists is accurate and up-to-date at the time of enquiry.

II.2.3 When publishing List information, the List Manager should state clearly the capacity in which it is acting.

II.2.4 A List Manager shall, where appropriate, obtain the appropriate Warranty from the List User conforming to description below.

II.3 AS A LIST BROKER:

II.3.1 The List Broker is the person or organisation appointed to represent the List User, responsible for recommending suitable lists and negotiating on its behalf with List Owners and/or their List Managers. Unless otherwise negotiated, the broker's income is derived from the brokerage commission, based on the basic rental value of the list(s) supplied, and is paid by the List Owner. (It should be recognised that a List Broker or an associated company may also be the List Owner or the List Manager acting on behalf of a List Owner).

II.3.2 When handling a marketing campaign, the List Broker should ensure that general standards of decency and propriety are adhered to and ensure that no lists are supplied where the offer may be likely to cause grave or widespread offence or harm to the recipients.

II.3.3 All possible care should be taken to ensure that information provided for lists handled is accurate and up-to-date at the time of enquiry.

II.3.4 List Brokers should make every effort to encourage their clients to return mailings returned as "gone aways" or "undeliverables" to the List Owner to encourage the List Owners to update their lists regularly. If these are returned via the List Broker then the List Broker should send them to the List Owner within 30 days.

II.3.5 The List Broker shall obtain the appropriate Warranties from the List User and the List Owner.

II.4 AS A LIST USER:

- II.4.1 The List User is the advertiser offering goods or services by means of postal or telephone marketing, making use either of its own promotional lists or of lists rented for a particular campaign.
- II.4.2 The List User is ultimately responsible and shall ensure that adequate Warranties are obtained from the List Owner(s). The List User shall also ensure that the List Owner(s) are provided with Warranties on the List User's behalf conforming to description below.
- II.4.3 The List User shall provide a Warranty to the effect that:
- (a) any request for information from an individual whose name can be identified as being included in the list supplied regarding the source from which the name was obtained will be dealt with promptly;
 - (b) any request for suppression from an individual whose name can be identified as being included in the list supplied will be so recorded and marked and will be suppressed from the list used.
 - (c) any request for the suppression of a deceased name which can be identified as being included in the list supplied and will be notified to the relevant List Owner as soon as possible;
 - (d) any request for access, correction or deletion of inaccurate data received from an individual whose name can be identified as being included in the list supplied will be notified to the relevant List Owner within 60 days of receipt;
 - (e) unless otherwise agreed, posting of mailings to any of the names on the list supplied will take place no later than 6 months following the date of supply. In the event the posting is delayed beyond then, copies of the list supplied will be returned unused to the List Owner and any extracts from it deleted from the List User's file;
 - (f) the rental or exchanged copy of the list supplied and any copy extracts from it will be kept secure and safeguarded against unauthorised use or disclosure;
- II.4.4 The List User should identify from which list mailing pieces returned as "gone away" or "undeliverable" have emanated and, where possible, should return these to the List Owner (or through the List Broker) within 60 days of the mailing date. (Note also Paragraph 11.1.6 and 11.3.4 above.)
- II.4.5 The List User shall ensure that the list is used once only per rental or exchange and that there is no re-use of the list without the written permission of the List Owner or his agent.

- II.4.6 The List User shall accept that any unauthorised mailing to a seeded name is conclusive evidence of an unauthorised mailing of the whole list.
- II.4.7 The List User shall ensure that the list is used only for the mailing which was approved by the List Owner.
- II.4.8 The List User shall ensure that the list supplied is not used for telephone marketing or research unless such use has been specifically contracted.
- II.4.9 Where List Users swap or exchange lists of which they are List Owners, all aspects of this Code shall be followed.
- II.4.10 The List User shall accept that copyright in a list rented or exchanged remains with the List Owner unless it is clearly transferred by contract.
- II.4.11 Reasonable care shall be taken to avoid minors on the list where product offers are suitable for adults only.

II.5 AS A LIST PROCESSOR:

- II.5.1 The List Processor is the organisation which stores and/or causes personal data to be processed by computer on its own behalf or on behalf of others or which allows others to use computer equipment in its possession for the processing of personal data. It would generally be a Computer Bureau but it could also be the List User or a Mailing House undertaking production or fulfillment work on behalf of a List User.
- II.5.2 The List Processor has to ensure that "appropriate security measures shall be taken against unauthorised access to, or alteration, disclosure or destruction of, personal data and against accidental loss or destruction of personal data."
- II.5.3 The List Processor shall regularly review its security measures in the light of technological developments.
- II.5.4 The List Processor shall regularly review its operations to ensure that access by employees to personal data is limited to those who need to have access to such data in the performance of their duties.

III. MEMBERS' OFFERS

III.1 GENERAL RULES

- III.1.1 A Member's offer means any presentation or solicitation in respect of goods or services available for supply by the Member.
- III.1.2 A Member's advertisement is to be taken in its broadest sense to include any form of advertising for goods, services or facilities, irrespective of the medium used.
- III.1.3 Member's advertising shall be legal, decent, honest and truthful. Every advertisement should be prepared with a due sense of social responsibility and should conform to generally accepted principles of fair competition. No advertisement should be such as to impair public confidence in advertising generally and in direct marketing in particular. Advertisements should not be framed in a manner so as to exploit the superstitious or play on fear to induce people to purchase goods or services.
- III.1.4 Particular care shall be taken not to send to minors offers suitable only for adults and attention is drawn to Paragraph III.2.4 below regarding their eligibility to participate in a Prize Draw or enter a Prize Competition.
- III.1.5 As an advertiser, a Member shall express itself clearly and without ambiguity so that respondents shall know exactly what they are being offered and to what they are committing themselves when replying to an advertisement. The advertisement should, where appropriate, include accurate details of quality, quantity, supply, price and terms of business, that would apply to any respondent.
- III.1.6 A Member shall not issue a misleading advertisement nor give false or misleading indications as to price, value or quantity.
- III.1.7 Every advertisement that could directly result in a respondent entering into a continuing commitment for goods or services shall include a short, simple statement of the essential points of the offer, clearly displayed, for the respondent to keep. Such a statement shall include the Member's name and the full address.
- III.1.8 Where it is not possible to include these points except on the order form to be returned to the Member, the Member shall supply the respondent with such a statement together with the goods; this statement should display the Association's symbol.
- III.1.9 A Member shall not make any claim regarding their products or services unless it can be substantiated.

- III.1.10 Members shall ensure that nothing in any advertisement, catalogue or other material could reasonably lead respondents to believe that their rights at law are in any way diminished or removed.
- III.1.11 Samples of goods advertised should be available for public inspection during normal business hours at the Member's premises or other specified address.
- III.1.12 Where bespoke, made-to-measure or special order goods are advertised, or where the Member intends not to commence manufacture unless sufficient public interest is shown in the goods offered, (in which case this must be clearly stated), models or examples of similar goods should be available for public inspection.
- III.1.13 Published material such as catalogues and lists of goods and/or services for sale shall clearly state the Member's name and the full postal address at which the Member can be contacted during normal business hours.
- III.1.14 The requirements of this section of the Code do not preclude a Member from also stating in an advertisement another address to which respondents are to send their orders.
- III.1.15 Recognising the status accorded to Members by their membership of the Association, Members are encouraged to include in catalogues or promotion material, together with the Association's symbol, a statement to the effect that:
- "We adhere to the Code of Practice of the Direct Marketing Association of Singapore and undertake to deal with any complaint speedily and sympathetically. If a complaint cannot be resolved directly with us, we provide the opportunity for it to be referred at no cost to The Direct Marketing Association of Singapore."*

III.2 SPECIAL RULES

- III.2.1 Incentives are gifts (unconditional or conditional), awards, premiums, prizes or opportunities to take part in a prize draw or competition.
- III.2.2 Gifts, Premiums and Awards - The terms on which a gift premium or award forms part of any offer shall be clearly stated, particularly whether it is conditional upon order (as in "on approval" offers) or payment.
- III.2.3 "Free" - An advertisement shall not describe goods or samples as "free" unless they are supplied at no cost or at no extra cost to the recipient.
- A conditional gift or premium shall not be described as "free" except when the conditions are defined in close proximity to the word "free".

- A premium shall not be described as "free" if the article to be purchased is increased in price or decreased in quantity or quality as a result of the premium offer
- III.2.4 Prize Draws and Competitions: Any offer involving the opportunity to participate in a Prize Draw or a Competition is not permitted unless the Rules governing entry are clearly stated and any special conditions that apply are clearly explained. Detailed provisions on Prize Draws and Competitions are set out in Appendices behind.
- III.2.5 On Approval - An offer of goods "on approval" or "on trial" or similar terms shall be honoured in the ready acceptance of goods returned within the period specified in the advertisement and this period shall be calculated from the date on which the customer may reasonably be assumed to have received the goods.
- III.2.6 "Free Examination" - The term "free examination" shall not be used except where the supplier is prepared to accept the responsibility for the cost of returning the goods.
- III.2.7 Guarantees - No product advertisement shall contain the word: "guarantee", "guaranteed", "warranty", or "warranted", unless the full terms of the guarantee are clearly set out in the advertisement or are otherwise supplied to the purchaser in writing with the goods. In all cases the terms should include details of the remedial action available to the purchaser.
- III.2.8 Testimonials - No testimonial shall be used unless the Member is able to substantiate its authenticity. No testimonial or endorsement shall be used unless it is the genuine and informed opinion of the person giving it and permission to use it has first been obtained. The commendation of a product should not appear in quotation marks unless the source is identified and verified.
- III.2.9 Prepayments - Advertisements which request a prepayment, deposit etc shall clearly state in the body of the advertisement - the name of the Member and the full address at which the business is managed and at which the Member can be contacted during normal business hours.
- This requirement does not prevent a Member from also stating in an advertisement another address to which respondents are to send their orders and this address need not be a full address but may be in the form of a P.O. Box Number.
 - Where a Member requires a prepayment, deposit etc. from a consumer as a prepayment for immediate dispatch, then:

(a) the goods ordered shall be dispatched, at the latest, as soon as reasonably possible after the payment instrument is known to have cleared, but, in any event, within 28 days of receipt of the payment, but

(b) where it is anticipated that the goods cannot be dispatched within that time, then the payment instrument shall not be paid in or encashed until it is known that the goods are available for dispatch and will be sent as soon as the payment is known to have been cleared.

In this case, the respondent shall be informed and offered the return of the prepayment, but

(c) where it becomes clear that the goods cannot be dispatched within that time and the payment instrument has already been paid in or encashed, the respondent shall be offered a refund immediately.

Where the order is for a subscription or series, the dispatch of the first issue of the subscription or the first item of the series constitutes the despatch referred to above.

- Where a prepayment for goods is involved, a Member should take steps to ensure that it does not create a demand for goods which cannot be met. A careful assessment of likely demand should be made before goods are advertised and when stocks are exhausted further advertising should, where at all possible, be discontinued and refunds made immediately to respondents for whom stocks are not available.
- Where a prepayment is required a Member shall never take more than 28 days to dispatch the order except:
 - (a) When the advertisement makes it clear that a series of items is to be dispatched in sequence and states the intervals between consignments; in such circumstances, only the first dispatch need be made within the 28 days period; or
 - (b) when there are special circumstances and the advertisement states prominently and clearly the latest date on which (or period within which) dispatch will be effected; or
 - (c) when it subsequently becomes clear that an order cannot be dispatched within the period stated in the advertisement, the Member shall immediately offer the respondent a refund. If the respondent nonetheless elects to wait, the respondent should either be given a firm date for despatch or the progress of the order should be reported to the respondent at reasonable intervals.

III.2.10 **Non-optional Extra Charges** - No advertisement shall quote a price for goods and services which omits a postage and handling charge (or any other extra charge such as GST) which the customer is required to pay.

Such a postage and handling charge should be detailed clearly on the order form or coupon and in every other place where the terms of the sale are set out, or should be sufficiently prominently and clearly displayed elsewhere in the advertisement that, taking the advertisement as a whole, prospective customers could not be in any doubt as to the postage and packing charge due.

A Member may quote a price which is inclusive of postage, handling and GST.

III.2.11 **Club Schemes** - The supply of the Editor's or other main choice to subscribers to a Book or Record or other Club shall be subject to the following conditions:

(a) the terms of business relating to such supply shall be stated clearly to the respondent before any contractual commitment to membership is entered into, and

(b) the club member shall, on each occasion, be given reasonable - advance notice of such main choice and, at the same time, be supplied with sufficient opportunity to exercise an alternative choice, or, where applicable, to decline the main choice.

III.2.12 **Continuing Series**: An open-ended commitment offered by a Member to a respondent to receive a continuing series of goods or supply of services shall be subject to the following conditions:

(a) the nature of the contractual commitment shall be set out prominently in the advertisement or in a statement provided with the initial supply of goods when they are supplied on approval;

(b) the option to cancel shall be available at all times after the discharge of any initial contractual commitment;

(c) the Member shall accept cancellation, even during the period of contractual commitment, if the price of the goods has to be increased to an extent that the buyer could not reasonably have expected when the commitment was undertaken;

(d) the Member shall, on reasonable notice, accept such cancellation even if unable to prevent the dispatch of further goods;

(e) the Member shall refund at the time of cancellation any monies received for goods or services not yet provided.

A Member offering a series of products shall not in the advertising describe items in the series which may not, in fact, be produced, unless it is clear in the advertisement that they might not become available.

A Member should be prepared to provide a respondent with information on the expected length of a series, making it clear, if appropriate, that the final length of the series may not be precisely known.

Changes in intervals of supply or quantity of goods from those advertised for a series are not acceptable except where:

(a) the Member intends to supply more than one item at one time and this is clearly stated as a term of the offer; or

(b) the Member does not know whether it will be possible to supply more than one item at one time and prominently states as a term of the offer that more than one item will be supplied if possible. The Member shall, nevertheless, not effect such supply without giving the buyer adequate advance notice of such quantity supply together with a facility for the buyer to reject it; or

(c) the Member, not having intended to supply more than one item at one time and having therefore made no reference to it in the initial offer, finds it practicable to do so and clearly invites the buyer to accept or reject a change in the quantity of goods supplied, subject, however, to the condition that such quantity supply shall not be proceeded with unless it is expressly accepted by the buyer.

The three forms of changing the dispatch program permissible mentioned above are subject to two general conditions:

(a) no such quantity supply in a series shall be commenced less than three months after the initial offer, except where, an earlier date is explicitly stated in the initial offer and

(b) the original terms for frequency of payment and amount shall not be varied in the absence of the express agreement of the customer.

III.2.13 Offers of Services shall include details of the nature, duration, extent, cost and other terms for the service concerned other than in instances (such as insurance services) where the cost is to be provided after receipt and/or assessment of information from the respondent.

Offers requiring prior payment relating to holidays, travel facilities, or entertainment shall include full information as to the date, time, true nature, cost and any supplementary charges.

III.2.14 Fixing or Installation of Goods - Where goods are offered which may require fixing, installation or assembly other than by the purchaser, information shall be given in the advertisement, catalogue or other promotional material as to the nature and extent of the work involved.

If the Member is able to do the work either directly or through an agent at an additional cost to the purchaser the approximate cost of fixing, installation or assembly shall be stated.

III.2.15 Special Physical Characteristics - Where any special physical characteristic is likely to influence a respondent whether to place an order for product, the size or weight etc shall be specifically indicated.

IV. CUSTOMER SERVICE

IV.1 SERVICE

Members shall at all times aim to give prompt and courteous service to respondents and clients. Where a Mailing House or other agent is used for fulfilment, the responsibility for this and all other aspects of customer and client service remains the responsibility of the Member.

Members shall keep an adequate record of orders received for goods or services.

IV.2 QUERIES AND COMPLAINTS

Members will recognise that many complaints, when taken in isolation, are minor in themselves; but these can quickly assume major proportions when coupled with a train of events involving failure to reply, broken promises, vague assurances and a defensive or evasive attitude. Occasionally, therefore, complaints can arise which cause a high degree of frustration, leading to criticism of the industry. This damages the public image of direct marketing, reflects upon the quality of its goods and services and is liable to bring the Member and the Association into disrepute. Members should therefore investigate complaints received from customers, or on consumers' behalf from local consumer advisers or other intermediaries, promptly to assess their validity. If the complaint is complex or cannot be dealt with adequately within 5 working days of receipt, then it should be acknowledged with an indication of when a full reply can be expected.

Where a complaint is found to be justified, Members should settle it quickly, effectively and courteously.

If a complaint is not justified the Member should explain politely why once again, Members are encouraged to display the Association symbol on such correspondence.

If the customer is still not satisfied, the Member should advise the complainant of the service provided by the DMAS.

Members shall maintain an adequate system of monitoring queries and complaints about their goods and standards of service so that appropriate remedial action can be taken promptly.

IV.3 FULFILMENT OF ORDERS

Members should fulfill orders for goods or services within 28 days or the period indicated in the offer or in accordance with the programme provided to the respondent or club member.

Where, for any reason, this proves impracticable, the Member shall inform the respondent, club member or client when the order is expected to be dispatched or undertaken.

In such cases, a request for cancellation of the order shall be accepted, even when it is not possible to prevent delivery and any prepayment should be refunded immediately.

IV.4 UNSOLICITED GOODS OR SERVICES

Members shall under no circumstances send goods or provide services for which payment is required to any addressee without first having received an instruction for the supply of them.

Members shall operate reasonable verification procedures to minimise irritation resulting from hoax orders. Where such an order results from a handwritten application, Members should ensure they can supply a complainant with a copy of the order, if the complaint is made in reasonable time, and provided that the complainant provides adequate information to enable the Member to identify the order.

IV.5 SUBSTITUTION OF PRODUCTS

If a product offered becomes unavailable for reasons beyond the control of the Member, another product shall not be supplied in its place unless the offer stated that a substitute might be made and such replacement has materially the same or better characteristics and qualities and is supplied at the same or lower price. The customers shall nevertheless have the right to reject and return the substitute within a reasonable period of time.

Where this occurs, an explanation of the substitution and of the right to return it at the Member's expense shall be given with the item.

IV.6 REFUNDS

A Member shall return all money paid in advance by the respondent upon the return of the advertised goods:

- (a) where the respondent has fulfilled the terms of an advertised money-back guarantee; or
- (b) where, for whatever reason, the product or service does not conform to the description of it contained in the offer; or
- (c) where the respondent has expressed a wish to be reimbursed because of unreasonable delay in the dispatch of the order; or
- (d) where the Member is otherwise in breach of its statutory or contractual obligations.

The conditions referred are:

(a) The Member shall make it clear to respondents whether or not they may try out goods prior to return, subject to their remaining undamaged. If no indication is given it will be assumed that trial by the respondent is permitted;

(b) Where a Member does not intend to return money paid in respect of goods claimed returned but not received back by the Member, unless the respondent can produce proof of dispatch, the Member shall so advise the respondent, at a time no later than that at which the goods are dispatched, to obtain such proof of dispatch.

IV.7 PAYMENT AND COLLECTION PROCEDURES

Members shall keep their payment and collection procedures under constant review to ensure that at all times they are conducted as efficiently and accurately as possible, but at the same time in such a way as to avoid undue inconvenience to the customer, making, inter alia, due allowance for delays outside the customer's control (e.g. postal and banking services).

Member's debt collection procedures shall be reasonable and collection reminders and follow-up documents should not be in such form as might be confused with official documents. Members should display the Association's symbol on such reminders and documents.

Before threatening or instituting legal action for the collection of a debt, Members should take reasonable action to ensure that the identity of the debtor has been established correctly and that the debt has not been settled. Where a debt collection agency is employed by a Member, that Member shall ensure that it holds the appropriate licences and exercises the same degree of care before any proceedings are taken on the Member's behalf.

V. THE "CODE OF PRACTICE" COMMITTEE

V.1 Role and Composition of the Committee

- V.1.1 A committee of DMAS will administer and supervise the Code of Practice and consider complaints from members of the public and companies using Members' services, regarding the treatment they have received from a Member. These complaints may be received directly or may have been referred by another self regulatory or consumer body. The committee will always seek to conciliate such complaints but, when appropriate, it will adjudicate upon them within the provisions of the Code.
- V.1.2 The committee will comprise of a chairperson and 4 members being appointed by the Executive Committee of the Association, at least 1 member of the committee should be an independent person.
- V.1.3 The committee will also respond to a complaint addressed to it against a company which is not a Member, advising the complainant and/or referring the complaint to a competent body.
- V.1.4 The committee may make visits to Members to review procedures and to discuss current issues.

V.2 COMPLAINTS AGAINST AND DISPUTES BETWEEN MEMBERS

- V.2.1 The committee will investigate complaints against Members when complainants identify themselves and set out their complaints in writing or when a complaint is referred to it by a statutory, advisory, self-regulatory or enforcement body. Before investigating a complaint, the committee will consider whether it is, nevertheless, the appropriate body to do so, in the light of the nature of the complaint.
- V.2.2 Where the complaint concerns the supply of goods or services, a disagreement over an account or other customer service problem, the committee will invite the Member to attempt to settle the matter directly with the complainant and report to the committee.
- V.2.3 When the committee considers it not appropriate to handle a complaint in the manner described above or it is an alleged or possible infringement of the Code:
- (a) The committee will, except when the complainant can be answered satisfactorily without reference to the Member, put the complaint to the Member and invite an explanation.

(b) The committee will review the explanation and, if it considers it necessary, invite the Member to discuss it.

- V.2.4 Where the committee rejects a complaint, it will inform the complainant in writing of the reasons for its decision and, where appropriate, invite any further comment the complainant may wish to make in writing.
- V.2.5 If the committee is unable to effect a conciliation or otherwise fails to satisfy the complainant, it will advise the parties of the possibility of recourse to the Consumers Association of Singapore.

V.3 INFRINGEMENTS OF THE CODE - ADJUDICATIONS AND SANCTIONS

- V.3.1 Where the committee concludes that, prima facie, an infringement of the Code has taken place, it will provide an opportunity for the Member to answer the allegation, including, where necessary or when requested by the Member, issuing an invitation to a meeting with the committee.
- V.3.2 For the purpose of an Adjudication, the quorum shall be the Chairperson, the independent member and at least one of the industry members.
- V.3.3 If the committee is satisfied that any infringement was not intentional and an undertaking is given by the Member that it will not be repeated, no further action may be required.
- V.3.4 Nevertheless, if the committee concludes that an infringement of the Code has occurred, it may admonish the Member formally and, if it considers it appropriate, publish a statement to that effect setting out its reasons.
- V.3.5 The committee may, however, conclude that the seriousness is such as to merit either the Suspension or the Expulsion of the Member from the Association.
- V.3.6 If the committee recommends the Suspension of a Member, it will inform the Member and the Executive Committee of the Association accordingly.
- V.3.7 An appeal against Suspension may be made by the Member to the next meeting of the Executive Committee. If the recommendation is upheld, the term of Suspension shall run from the date of the determination of such appeal.
- V.3.8 Whilst under Suspension the Member shall not be entitled to use the Association's symbol (other than on advertising already in final process) nor to imply in any manner whatever Membership of the Association.
- V.3.9 The same procedures shall be adopted if the committee recommends Expulsion of the Member.

V.3.10 Upon the Suspension or Expulsion of a Member from the Association, the committee and the Executive Committee will notify the appropriate industry bodies and may issue a joint public statement, giving reasons for the Suspension or Expulsion.

V.3.11 Voting upon a proposal for Suspension or Expulsion of a Member by the committee shall be by simple majority of those present.

V.3.12 No member of the committee or of the Executive Committee with the Member being adjudicated upon, shall sit as a member of the committee or of the Board in considering an appeal of an Adjudication or an appeal of a recommendation for Suspension or Expulsion.

V.4 REPORTS TO THE EXECUTIVE COMMITTEE

V.4.1 The committee shall, as occasions may arise, comment on and/or make recommendations to the Executive Committee of the Association concerning aspects of the Code of Practice.

VI. APPENDIX

VI.1 TELEPHONE MARKETING

VI.1.1 Introduction

- This Appendix for Telephone Marketing Practices is intended to provide Members using the telephone for marketing, sales or service purposes to consumers, businesses and other organisations with principles of ethical and professional conduct.
- Members using the telephone for marketing, sales or service purposes shall comply with any relevant legislation.
- In addition, all Members using the telephone for marketing, sales or service purposes shall comply with this Appendix in respect of activities not covered by specific law, or where legal requirements are less restrictive than this Appendix.

VI.1.2 Disclosure

- The name of the organisation on whose behalf a sales, marketing or service call is made or received shall be voluntarily and promptly disclosed, and this information repeated on request at any time during the conversation.
- The purpose of the call shall be clearly stated early in the conversation, and the content of the call shall be restricted to matters directly relevant to its purpose.
- The name, address and telephone number of the organisation on whose behalf the call is being made or received shall appear in the telephone directory. This information shall also be available on request.
- . If a telephone marketer makes or receives calls on behalf of an organisation the name, address and telephone number of the telephone marketer shall be disclosed upon request at any time during the conversation.
- If a prospect is telephoned as the consequence of a referral by a third party, the telephone marketer shall, at the beginning of the call, tell the prospect of this fact, identify the third party and give the prospect the opportunity to ask for the call to be discontinued.

VI.1.3 Honesty

- Telephone marketers shall not evade the truth nor deliberately mislead. Any questions shall be answered honestly, accurately and fully to the best of the knowledge available and belief of the telephone marketers.

- Sales, marketing or service calls shall not be executed in the guise of research or a survey. In cases where the words "research" or "survey" are used, the information obtained shall not be used to form the basis of a sales approach either during or after the call.
- Members shall accept responsibility for statements made by their staff or others working on their behalf.

VI.1.4 Reasonable Hours

- Members shall avoid making sales, marketing or service calls during hours which are unreasonable to the recipients of the calls. Members should recognise that what is regarded as unreasonable can vary in different locations and in different types of households, businesses or other organisations. Calls should normally be made between the hours of 8am and 8pm unless invitation to call at other times is given.
- When sales and marketing calls are initiated by a Member or its representative, the caller shall ask whether the call is convenient. If it is not, the caller should offer to telephone again at a more convenient time.

VI.1.5 Courtesy and Procedures

Normal rules of telephone courtesy shall be observed. Telephone marketers shall avoid the use of high pressure tactics which could be construed as harassment.

Telephone marketers shall always recognise the right of the other party to terminate the telephone conversation at any stage, and shall accept such termination promptly and courteously

If, as a result of a telephone contact, an appointment is made whereby a representative is to visit a consumer, business or organisation, a clearly identified contact point shall be given in advance of the appointment to enable the recipient to cancel or alter the appointment if desired.

Telephone marketers shall take particular care not to solicit information, orders or appointments from a minor.

When consumer sales calls are made or received by a Member or its representatives, there shall be a cooling-off period of at least 7 days for oral contracts resulting from such calls, and the consumer shall be so informed of his right, unless the consumer has had use of the goods or service during that 7 day period or unless the tenets of business specifically exclude a cooling-off period. In such cases Members shall offer a reasonable trial period and accept return of goods.

VI.1.6 Restriction of Contacts

Sales, marketing or service calls shall not be generated by random number or sequential number dialing, manually or by computer.

Sales, marketing or service calls shall not knowingly be made to unlisted or ex-directory numbers unless the number has been provided by the consumer concerned.

Members using the telephone for marketing, sales or service purposes shall block from their telephone contact lists those persons who have specifically requested not to be contacted by telephone for such purposes, shall maintain a record of the names and telephone numbers of such persons, and shall have documented procedures to ensure that all such names have been blocked from telephone contact lists used by the Member or on its behalf.

VI.2 DIRECT OR "DOORSTEP" SELLING

VI.2.1 Where a member intends to send a representative to visit a respondent to an advertisement, this must be made clear in the initial advertisement, or, as appropriate, from any follow-up material. In all cases a respondent shall be given adequate opportunity to refuse the representative's visit and the Member shall supply the respondent either with a reply-paid postcard or instructions as to how to contact the advertiser by telephone.

VI.2.2 Visiting representatives shall produce identification showing the names of the advertiser and of the representative.

VI.2.3 Representatives shall ensure that the consumer is not at any point misled as to the purpose of the visit.

VI.3 PRIZE DRAWS

VI.3.1 Joint Structure and Operation

- All prize draws should comply with the relevant legislation.
- The Principles and Procedures to be adopted in any Prize Draw shall be prepared and retained for reference in advance of the publication of any advertisement of the Prize Draw to the public.
- The important stages of any Prize Draw, such as the drawing of winning numbers and the checking of returned claims, shall be conducted strictly in accordance with the Procedures.
- These stages shall be observed by an independent person, or professional individual (e.g. an accountant or solicitor).
- The same person shall certify the results when the Prize Draw has been completed.

- A full list of winners (excluding winners of consolation prizes) shall be produced and be available, on request to participants as soon as possible after the completion of the Prize Draw.
- Where the Prize Draw involves the issuing of numbers to the public for the determination of winners, each number shall be unique, and the drawing procedures shall be appropriate to his requirement.
- No person responsible for the operation or administration of a Prize Draw shall be eligible to receive a prize in it.
- All prizes shall be awarded as advertised.

VI.3.2 Advertising a Prize Draw

- 'Advertising' includes any means by which an individual may be invited to take part in a Prize Draw.
- In any advertisement for a Prize Draw in which every participant is entitled to claim goods as 'gifts', without consideration being paid to the Member, care shall be taken to avoid recipients reasonably concluding that they are entitled to anything other than one of the 'gifts'.
- Goods of minor value which are to be supplied to all participants shall be described as 'gifts', not as prizes, and the term 'win' (or any grammatical version thereof) shall not be used in relation to such goods.
- In any advertisement in which one or more of the prizes is dramatised by any 'document' which is likely to be taken to be of intrinsic value (e.g. 'cheques', 'airline tickets', 'Savings' books), such documents shall indicate conspicuously that they are by way of example only.
- Where any prize category is subject to special conditions (e.g. a cash alternative) this shall be made clear in the advertisement.
- Where the Member intends to offer cash in lieu, this fact, and the amount, shall be stated in any advertisement.
- The quantities of prizes to be given away shall be stated in every advertisement.
- Where, in any scheme, it is possible that not all prizes advertised will be awarded to participants, this shall be clearly stated.
- All Prize Draw advertisements shall include information that a list of prize winners will be available on request and indicate approximately when, from where and how the list may be obtained.

VI.4 PRIZE COMPETITIONS

VI.4.1 Structure and Operation

- Adequate resources shall be made available for the running of Prize Competitions so that consumers could have no reasonable ground for complaint as regards the administration of such Competitions.
- The Rules of the Competition shall be prepared and retained for reference in advance of the publication of any advertisement of the Competition.
- A panel of judges shall be set up by the Member and it shall include a person with special knowledge of the field covered by the task demanded on the entry form.
- The judging of entries shall take place promptly and "winners shall be informed as soon thereafter as practical.
- Entrants shall be supplied with a copy of the rules no later than the time at which they are expected to complete their entries.
- The prizes available shall be identified clearly.
- The results of any Competition shall readily be available to entrants.
- A copy of the results shall be certified by the judges and retained for reference.
- Any Competition involving gifts as well as prizes shall clearly distinguish between the two so that the consumer is left in no doubt as to the difference between them.
- In any advertisement for a Competition in which participation is dependent upon a purchase being made, the exact nature of what it is an entrant is required to do shall be clearly explained.
- Goods of minor value which are to be supplied to all participants shall not be described as 'prizes' nor shall the Member state that all entrants have 'won' or will "win" them.
- The Member shall take care to ensure that entrants are given adequate time in which to complete and submit their entries.
- No person responsible for the operation or administration of a Competition shall be eligible to receive a prize in it.

VI.4.2 The Rules

- The Rules for the Competition shall be set out clearly and shall, where applicable, deal with the matter covered in the following Paragraphs.

- If the Member requires the Judges to award prizes only to entries of a sufficient standard (and therefore possibly not to award all prizes advertised), a statement to this effect shall be included in the Rules.
- If it is intended to limit the number of entries that may be submitted by anyone competitor, this shall be stated.
- If it is intended to limit the number of prizes any single participant may win, this shall be made clear.
- When cash alternatives are available, the value of such alternatives shall be indicated.
- In any Competition in which those who do not order products are permitted to compete, any special conditions that may apply to such entrants shall be stated.
- Where the Judges will be required to have regard to any special factors relating to entries, these shall be indicated.
- A statement that copies of the results will be available shall be made and shall indicate when these will be available and how they may be acquired.
- A clear indication shall be given of the conditions under which the entries may be disqualified.
- The closing date for the receipt of entries shall be stated, as well as the date by which it is intended to announce the results.
- Where the Member intends to limit, or disclaim, responsibility for entries that may be lost, this shall be clearly stated.
- If the Member intends to acquire a copyright in all or in certain entries, this shall be indicated.
- A statement shall be made that no one responsible for the operation or administration of the competition is eligible for a prize in it.

VI.5 THE "SEAL OF INTEGRITY" SYMBOL - A GUIDE FOR MEMBERS

VI.5.I Introduction

- The Direct Marketing Association has been created to, inter alia, display an authoritative, responsible and consistent image to business, other organisations and to the public at large.
- The "Seal of Integrity" symbol of the Association is designed to convey these functions.

- Only Members may use the symbol, and so declare their adherence to the Association's standards of excellence and integrity.
- By using the symbol correctly and consistently, Members will play their part in presenting the industry in a professional way, and helping it to be better understood. The guidelines which follow are intended to ensure consistency in the use of the symbol so that it is always distinct and legible.

VI.5.2 Instructions for the Use of the Symbol by Members

- The symbol may be used on Members' stationery, advertising and promotional material, and in exhibition displays. Used in this way the symbol declares Membership of the Association and identification with its objectives.
- It shall not be used on products or packaging or in any way that implies endorsement by the Association of any particular product that implies endorsement by the Association of any particular product.
- Material for printing should be prepared using only the approved artwork for the symbol, which is available to Members from the Association.
- When used by Members, the official colour of the symbol is blue (pantone 2870). If specific circumstances make it impractical to use blue; black or some other colour may be used with prior consent of the committee.

VI.5.3 Use of the Symbol in Advertisements/Stationery

- When used in advertisements, the symbol confers on the Member's service a stamp of authority, good practice and assurance to a respondent.
- The symbol should not be less than 3 x 2cm. Depending on the material to be printed on, the definition will get noticeably worse if the image is reduced below this size, and the symbol will lose its value.
- The symbol should be separated from other graphic devices by at least half its diameter. It should not be too close to any credit card symbols. It should be contained in the body of the advertisement so that it remains with the respondent when a coupon is cut out.

VI.5.4 Other Applications of the Symbol

- In any other applications, including leaflets, flyers, catalogues and so on, the same guidelines will apply as to advertisements.
- If Members wish to use the symbol in applications other than those mentioned above, or if they are in doubt about how to use it correctly, they should consult the Association.

Members of the Direct Marketing Association can be identified from the Association's symbol. Members are generally required to include this in all advertisements and selling communications.

