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**Minister of Consumer Affairs, Minister for Auckland Issues,
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Media Statement

Better cross-border protection for consumers

Minister of Consumer Affairs, Judith Tizard, welcomes the development of OECD guidelines to protect consumers from cross-border fraud and deceptive practices.

“The guidelines, which governments of OECD member countries including New Zealand have agreed on, lay the groundwork for real improvements in cross-border consumer protection,” said Judith Tizard. “They provide a basis for enhanced co-operation between enforcement agencies, and are a significant step forward in achieving common approaches to consumer law.

“The development of the guidelines is a significant achievement because of the very different approaches OECD countries take to consumer protection and enforcement. New Zealand, through the Ministry of Consumer Affairs, has taken an active role in the development of these guidelines.”

The way is now paved for New Zealand to look at the benefits of implementing the guidelines and how to go about it, says Judith Tizard.

Increasing cross-border trade, and e-commerce in particular, means it is more important than ever for consumer protection enforcement agencies to work together. The guidelines establish a common framework to develop closer, faster, and more efficient co-operation among consumer protection enforcement agencies.

Pyramid and lottery schemes, travel and credit-related ploys, and high-tech scams such as modem and web page hijacking are some examples of the types of frauds perpetrated across national borders. In addition to injuring consumers these practices harm legitimate businesses and reduce consumer confidence in the global marketplace.

“New Zealand consumers are as likely to be the victims of scams as consumers anywhere else in the world. Most scams are operated offshore, which can result in money leaving New Zealand’s economy,” said Judith Tizard.

Cross-border fraud operators strike quickly, victimise thousands of consumers in a short period of time and then disappear along with the proceeds of their frauds. They are able to escape prosecution in many cases because law enforcement

agencies often cannot pursue them across national borders or share evidence with other national agencies.

The OECD guidelines will help governments work together more effectively to stop and prevent these operators harming consumers.

“Both the Ministry of Consumer Affairs and the Commerce Commission will look at how they can use the framework that the guidelines provide, in their future consumer protection work, which in turn will help give consumers more confidence in their cross-border transactions,” says Judith Tizard.

The full text of the *OECD Guidelines for Protecting Consumers from Fraudulent and Deceptive Commercial Practices Across Borders* is available on the OECD's website at <http://www.oecd.org/sti/crossborderfraud>

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