Buyer Beware:

Hearing the Consumer’s Voice

Presented by Linda F. Golodner, President
National Consumers League
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National Consumers League

- Founded 1899, to advance economic and social justice for consumers and workers in the U. S. and abroad.
- Healthcare, food safety, personal finance, consumer fraud, technology and telecommunications, fair labor standards, product and service standards
- Coalitions: SOS Rx; Child Labor Coalition; Alliance Against Fraud in Telemarketing and Electronic Commerce
- Network of organizations in U. S. and abroad
- LifeSmarts – consumer education for teenagers
National Consumers League and Standards

- United States
  - Conference for Food Protection
    - Certification for Managers in Food Safety
  - Interstate Shellfish Sanitation Conference
  - ANSI Consumer Interest Forum
  - UL Consumer Advisory Council

- International
  - Fair Labor Association
  - International Cocoa Initiative
  - ISO-COPOLCO (Consumer Policy Committee)
Consumers are Confused with Terms and Definitions

- Understanding of international, federal, state, jurisdiction standards and certification
- Understanding of certified programs/services and personnel certification
- Consumers need information and education about
  - Licensure
  - Accreditation
  - Certification
  - Differentiate among professional association standards
- Understand: codes of ethics; codes of conduct; “mission;” principles of customer care
What Consumers Might Know About Personnel Certification

- Some familiarity with
  - Education system
  - Health professionals
  - Safety personnel
  - Financial (CPA)
- Statement of individual’s ability, measured against standards
- Assessment of individual performance in exams/tasks
- Competency, independence, impartiality
When is the marketplace calling for certification?

- Listen to the signs:
  - Opportunities for fraud (finance, healthcare)
  - Misleading, deceptive practices (sales tactics, real estate, “professional services”)
  - Service quality unpredictable (“yellow pages” search)
  - Consumer harm (food safety, healthcare, utilities)
  - Consumer health and safety at risk (security)
  - Consumer pocketbook at risk (loan tactics, paying for incompetent service)
  - Excellence not rewarded (competition between quality and mediocre or incompetence)
National Consumers League National Fraud Information Center – Top Frauds

Certification could help prevent fraudulent operators from being successful

Credit Card Offers – top fraud of 2003
- False promises, fee paid upfront

Direct Marketing Sales
- Misrepresentation of costs and obligations

Advance Fee Loans
- Personal and business loans for upfront fee

Travel/vacations
- Offers of free or discount travel that never materializes or is misrepresented
Top Frauds

- **Victims**
  - Average loss: over $1,500 US
  - Contacted by con artists in Canada (41% of advance fee loans scams) or from other countries outside of U. S.
  - Located in small states, often rural – Georgia, Mississippi, Montana.

- **How would certification of direct sales personnel help?**
  - Provide confidence for consumers to deal with trustworthy salespeople –
  - Important to have cooperation of industry, media, and consumer educators
  - Opportunity in the United States – “do not call” lists law
National Consumers League Internet Fraud Watch -- Trends

- Challenge to build consumer confidence in electronic commerce
- Top Frauds of 2003
  - General Services and Merchandize
  - Internet Access Service
  - Advance Fee Loans
  - Travel/tourism
- Certification opportunities as traditional services appear online
  - Tourism
  - Financial services
  - Training and education
  - Health
Responding to consumer safety, harm

- Food manager certification
  - Valid, reliable, uniform criteria for training and evaluation
  - Conference for Food Protection – nonprofit independent body of regulators, industry, and consumers promoting food safety and consumer protection.
  - Situation existed that consumers protection was not uniform – consumer safety a concern -- lack of confidence in marketplace
Certification: need for a parallel certification

- Food service personnel
  - Retail industry – grocery stores, restaurants
  - Need for food inspection personnel to be certified
    - In some cases, inspectors less qualified, knowledgeable than personnel in industry
    - Gap in food safety expectations of consumers
- Time and resources to establish uniformity in the system – large chains/companies then small businesses
How can a Personnel Certification Meet Consumer Expectations?

Consumers must be part of every phase of any certification program – we are the end user!
- Establishing criteria
- Determining scope
- Consumer education and information
- Auditing
- Evaluating
- De-certification – education and information

Consumer representation or Stakeholder Involvement
Consumer expectations for certification

- Meaningful, verifiable, periodic review
- Trust, confidence
- Must be able to **de-certify** and provide this information publicly for consumer.
  - Consumers understand recall of products. Must be able to recall certified personnel and professionals when incompetent
- Need for **transparency**
  - Cannot be closed process (not professional association or industry only)
  - No “smoke and mirrors”
  - De-mystify process
Personnel Certification in Tourism

- ISO-COPOLCO
- Tool to help ensure environmental and social responsibility among tourism operations
- Best management practices
- Community-based certification including marketing, monitoring, evaluation
  - Surveys of standards bodies regarding consumer expectations
    - Facility
    - Assuring that expectations are met
    - Customer service
      - Transportation, Facility, Environment
      - Eco-tourism competence
      - Travel agents (Internet) and tour operators meet an expected standard
Social Responsibility

- Personnel certification is important component of SR
  - Audit/inspection
  - Accountability to public
  - Managers who respect customer and employee rights
    - Diversity
    - Accessibility
    - Fair labor standards
  - Transparency
  - Training in environmental, social issues/sensitivities
- Fair Labor Association
  - Need for qualified, experienced personnel for third party independent monitoring
- International Cocoa Initiative – certification system that will train and establish agriculture inspection system.
Expectation that Consumer Rights Will be Respected

- Education
- Information
- Choice
- Safety and Health
- Service
- To be heard
- Complaint handling/redress
Contact Information

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