

Consumer Authority

Survey Report
Unfair Commercial Practices (UCPs) in the Netherlands

November 2008

Foreword

On 15 October 2008 the Unfair Commercial Practices Act entered into force in The Netherlands. Briefly, under the terms of this Act sales practices in which providers approach consumers in a misleading or aggressive manner to persuade them to make a purchase or buy a service are prohibited. The Consumer Authority (CA) will supervise compliance with this new Act, except in respect of the financial market.

In view of this new task, the CA has commissioned a survey into the nature and extent of unfair commercial practices (UCPs) that Dutch consumers are confronted with. It has drawn its inspiration for this from similar surveys that have recently been carried out by consumer authorities in the United Kingdom, Canada and the United States. What all these surveys have in common is that they provide a representative insight into the extent and problem of a number of common unfair commercial practices (also referred to as scams or frauds) and offer specific points of reference for supervisory activities and information to consumers. The questions being asked include:

- What UCPs are particularly common?
- Who are the main targets and victims?
- What is the financial loss suffered by victims?

Such a setup was what the CA also had in mind. As far as the CA is aware, this is the first time that such a survey of this size has been carried out in the Netherlands.

It was not feasible to include in the survey all potential UCPs that can be identified under the new legislation, since the extent and scope of the Act is much too wide-ranging for that. A further selection was needed. The survey therefore focused mainly on UCPs that:

- are expected to be particularly common
- reach a large group of consumers through preconceived marketing methods
- are expected to cause consumers demonstrable financial loss, and
- are within the supervisory realm of the CA.

On this basis, ultimately eleven unfair commercial practices were included in the survey.

The survey was expressly carried out from the perspective of the consumer. For example, the descriptions of the various UCPs have been formulated in such a way that they match the experiences of the consumers. The consumers who were interviewed stated whether or not they believe they had been a target or victim of one or more of the misleading and/or aggressive sales practices that have been included in the survey. It is therefore not certain whether in all cases there had actually been a breach – in legal terms – of the Unfair Commercial Practices Act. To find this out, further research would need to be carried out for each case separately.

What is also important is that the survey was carried out among such a large group of consumers that representative conclusions can be drawn on the nature and extent of the UCPs studied, their target groups and the financial loss they cause.

The survey was carried out by Intomart GfK. During the survey, a supervisory committee assisted the CA and the researchers with expert advice and suggestions. We are very grateful to them for their contribution.

The supervisory committee comprised the following members:

- A.L. Speijers, LL.M, Public Prosecutor at the National Public Prosecutor's Office for Financial, Economic and Environmental Offences;

- Dr R. Van Baaren, Educational Director of the Master's programme in Behavioural Change at Radboud University Nijmegen;
- J.L. de Ridder, LL.M, senior policy officer of the Minister of Economic Affairs, Department for Europe, Competition and the Consumer.

The CA thanks all the researchers and the supervisory committee for their pleasant and intensive cooperation.

The following document contains the full survey report of Intomart GfK.

The survey report provides the CA with useful points of reference in identifying the unfair commercial practices that deserve priority in enforcement and information to consumers. In addition, the report contains a wealth of specific information on the way in which fraudulent traders go about their business, and the consequences of their behaviour on consumers.

The report therefore offers the Consumer Authority an excellent starting point for effectively tackling unfair commercial practices.

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Director of Consumer Authority

Unfair Commercial Practices (UCPs) in the Netherlands

Integrated report regarding a qualitative and quantitative survey, carried out amongst consumers on behalf of the Consumer Authority, into unfair commercial practices

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Management summary

Overview of survey format

Unfair commercial practices are practices where businesses induce consumers in a misleading and/or aggressive way to make a purchase or buy a service. This is done in such a way that the misleading or aggressive character of the practice induces the consumers to purchase a product or service, which they would not or might not have done without this deception or aggressive attitude. As a result, consumers may suffer loss.

During the period from May 2008 to October 2008, the Consumer Authority commissioned a survey into the nature, incidence and consequences of a selected number of unfair commercial practices (UCPs) in the Netherlands. The survey involved a phased approach, comprising both a qualitative and quantitative study.

The unfair commercial practices that were included in the survey are:

- Misleading lotteries;
- Misleading prize draws;
- Misuse of expensive telephone numbers;
- Pyramid constructions;
- Misleading holiday clubs;
- Misleading and aggressive doorstep selling/improper pressure;
- Misleading and aggressive selling during bus tours;
- Unsolicited deliveries;
- So-called 'free' products;
- Products with a misleading health claim;
- Misleading and aggressive telephone selling.

The survey was carried out among consumers aged 18 years and older who have been the target and/or victim of one or more of the selected UCPs.

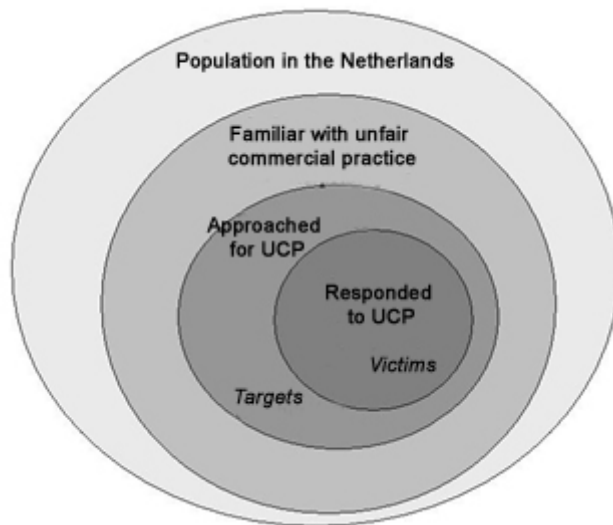
Respondents were asked in three steps whether they regarded themselves as a victim of the various unfair commercial practices. First they were asked whether they knew of a particular UCP. If this was the case, they were asked whether they had been approached for such a practice. Those who had been approached then had to say whether they had ever responded to the UCP. All those who had responded to a UCP were initially regarded as a victim of this UCP.

In order to make a clear distinction between the characteristics of targets and victims, the group of targets were defined in the survey as those who had indeed been approached but who had not responded to the UCP concerned. The group of victims is defined as those who had been approached and did respond.

A potential problem with the survey concerned was the question whether a person who said he or she had responded to a particular UCP was indeed a victim of this unfair commercial practice. A number of criteria were formulated for the survey in order to determine whether or not an individual had indeed become a victim.

The figure below shows how the questions were put and how the victim and target population relate to each other.

Figure 1. Targets and victims



Financial consequences of unfair commercial practices

Based on the amount that victims paid the most recent occasion they responded to a UCP, we estimate the total loss for the Dutch population of 18 years and older for each 12 months as a consequence of the UCPs studied at € 579 million (rounded off). This means that roughly 0.2 per cent of consumer expenditure in the Netherlands is linked to a purchase decision that is made under the influence of an unfair commercial practice. Needless to say, perhaps, the financial loss caused by UCPs that were not the subject of this survey has logically not been included in calculating the amount of the loss. It is therefore likely that the amount of the loss from all conceivable UCPs is (considerably) higher than the amount of the loss estimate based on the eleven UCPs studied in this report.

When estimating the total loss to the Dutch population, we adopt a margin of error of 100 million euro above and below, which means that we estimate that the total amount of the loss for the population is between 479 and 679 million euro. We take this margin of error because of the sometimes low number of observations with the amounts of loss reported, and because victims cannot always remember precisely the amount of the loss.

We suspect that the total amount of loss from the eleven UCPs studied represents an underestimate of the actual amount, because during the reference period of 12 months a number of individuals had sometimes been the victim of a single UCP more than once. In that case they are likely to have paid an amount more than once. The calculation includes only the amount that they paid on the most recent occasion.

The average loss for each adult Dutch citizen is estimated at € 45 per 12 months. The estimated loss for each case where an individual becomes a victim of a UCP is € 112. On average, victims suffer a loss of € 217 per 12 months (victims are on average a victim of 1.9 UCPs).

Table 1. Financial impact of UCPs in the Netherlands: estimated total loss for the Netherlands and loss per UCP.

	Average amount of loss per case	Total loss for all adults aged 18+ in the Netherlands (x 1 million euro)
Holiday clubs	€ 1,084	€ 183
Bus tours with sale demonstrations	€ 296	€ 104
Pyramid constructions	€ 656	€ 102
Misleading and/or aggressive telephone selling	€ 121	€ 98
Misleading health claims	€ 36	€ 26
Misleading prize draws	€ 35	€ 19
So-called 'free' products	€ 14	€ 13
Misleading and/or aggressive doorstep selling	€ 35	€ 12
Misleading lotteries	€ 32	€ 8
Misuse of expensive telephone numbers	€ 16	€ 7
Unsolicited deliveries	€ 22	€ 5
The Netherlands total		€ 579

Holiday clubs, bus tours, pyramid games and telemarketing are the most costly to victims each time they respond to the UCP. These UCPs also cause the greatest loss in society as a whole.

Familiarity with and incidence of UCPs

The Dutch are highly aware of the existence of unfair commercial practices: the various UCPs are known among 32 % to 71% of the population. The holiday clubs are the least known. The so-called 'free' products, misleading health claims and prize draws are the best known; these three UCPs are known to at least two-thirds of the population.

Roughly two-thirds (67%) of Dutch citizens aged 18 years and older have been approached during the past 12 months by at least one UCP (target) and 16% per cent of Dutch citizens aged 18 years and older have responded during the last 12 months to at least one UCP (victim). Free products, misleading and/or aggressive telephone selling and misleading health claims generate a relatively high number of victims; relatively few individuals fall victim to holiday clubs and pyramid constructions.

Table 2. Familiarity, target incidence, victim incidence and number of victims per UCP

	Percentage familiar with UCP	Percentage targets	Percentage victims	Number of victims in the Netherlands (18+)
So-called 'free' products	71%	40%	7%	935,601
Misleading or aggressive telephone selling	53%	24%	6%	809,900
Misleading health claims	68%	28%	6%	725,349
Misleading prize draws	67%	36%	4%	564,483
Misuse of expensive telephone numbers	48%	17%	4%	459,721
Misleading or aggressive doorstep selling	53%	18%	3%	347,151
Misleading lotteries	57%	33%	2%	249,288
Unsolicited deliveries	42%	13%	2%	239,483
Misleading holiday clubs	32%	8%	1%	165,405
Pyramid constructions	39%	9%	1%	159,413
Total number of victims				4,655,794

Individuals who have become victims of UCPs have been made an offer more often (taking all UCPs together) through a UCP than individuals who have not responded to these UCPs (targets). This is particularly the case among the UCPs of misleading lotteries, misleading and aggressive telephone selling and pyramid constructions. Victims are made an offer through UCPs or approached for UCPs on average 5.5 times, and targets 4.9 times. For the Netherlands as a whole, this means that individuals are approached on average 3.4 times per person, and that a total of 44 million approaches each year are made in the Netherlands.

Most unfair commercial practices reach consumers by post (21%), telephone (19%), email (18%) and the Internet (11%). These channels apply more or less to all UCPs, except the UCPs of doorstep selling, selling during bus tours, telephone selling and unsolicited deliveries, because these always involve a single, specific contact method. What is also striking is that pyramid constructions frequently use word-of-mouth advertising, and misleading health claims often use advertisements in magazines and newspapers.

The main reason for targets not to respond to a UCP is because they are not interested in what is being offered (40%). A strong second reason is that they do not trust the offer (31%).

More than one-third of the victims responded to the UCP because they were interested in the offer. Other major reasons were that it appeared to be credible (21%), they responded on impulse (16%) and that it was (almost) free (14%).

Demographic information on targets and victims of UCPs

Overall picture

In general, anyone can be a target of UCPs. For all UCPs together, there are no specific groups that are approached more or less often. If we look at the groups that become *victims*, we can observe a number of differences, but these differences are relatively limited. *Anyone can become a victim of one of the unfair commercial practices, but certain groups tend to become victims slightly more often.*

The general impression that victims of unfair commercial practices are generally the elderly is incorrect: victims are found across all age ranges. There are also hardly any differences between the regions. What is striking, however, is that:

- Women are more often victims than men.
- Households with children are more often victims than households without children.
- Those without work, with a lower level of education, on low incomes, from a lower socio-economic class and those in rented housing tend to be victims slightly more often than those in salaried employment, with a high level of education, with higher incomes, from a higher socio-economic class and homeowners.

These are variables that are interrelated and give an impression of the socio-economic circumstances of individuals. In short: those with a lower socio-economic position (in a broad sense) may tend to be slightly more vulnerable to becoming victims of UCPs than those with a higher socio-economic position, but anyone can become a victim.

Chronic victims

The differences we see among the group of victims as a whole become clearer if we divide the group based on the number of UCPs to which they fall victim. If we compare the profile of victims of 1 to 3 UCPs with the profile of victims of 4 or more UCPs (the 'chronic victims') we see that the group of chronic victims comprise relatively often: young people, less well educated individuals, those in lower socio-economic classes, the unemployed and persons in the lower income categories.

Differences between UCPs

If we look at differences between UCPs as regards the socio-demographic characteristics of targets and victims, we see similarities with the overall picture.

For example, with many UCPs, the less well educated are more frequently victims than more highly educated individuals. Persons with a lower income are generally more often a victim of UCPs than individuals in high income groups. A number of specific differences can also be seen between UCPs. For an overview of these, we refer to paragraph 3.8.2.

Response following an experience or experiences with unfair commercial practices

Although targets and victims generally find their experience of UCPs unpleasant, the majority do not take any action following their experiences. If victims do anything, it is usually to complain to the provider (14%). Of the victims, 1% report their experience to an official body, 1% seek legal assistance and fewer than 0.5 per cent report the case to the police. The perception of the experience makes little difference here: even those who found the experience to be unpleasant or extremely unpleasant virtually never reported it to an official body. However, we can see that those who found the experience to be extremely unpleasant were those who were most likely to do something about it (particularly complaining to the provider).

Impact on attitude and behaviour

Most targets and victims state that their attitude and behaviour have changed because of their experience with unfair commercial practices. The biggest effect can be seen regarding the trust shown by respondents: more than half say they have become less trusting. A large number (one-third to almost half) also say that they react differently to approaches by companies, such as not responding so fast and seeking more information about a company.

Findings viewed in an international context

Surveys are also carried out abroad into unfair commercial practices ('scams' or 'frauds').

Although the definitions used and the practices studied are not exactly the same, the key findings of recent surveys in Great Britain, Canada and the United States are generally in line with the findings of the Dutch survey.

For example, these foreign surveys show that:

- UCPs cause considerable financial loss to society.
- Certain groups of consumers may be more vulnerable to becoming victims, but in principle anyone can become a victim of UCPs: 'there's a scam for everyone'.
- Only a very small minority (one to a few per cent) of victims report his or her experiences to an official body.

1. Introduction

1.1 Background and objective

Unfair commercial practices are practices where businesses induce consumers in a misleading and/or aggressive way to make a purchase or buy a service. This is done in such a way that the misleading or aggressive character of the practice induces the consumers to purchase a product or service, which they would not or may not have done without this deception or aggressive attitude. As a result, consumers may suffer loss.

One of the tasks of the Consumer Authority is to supervise compliance with the new legislation on unfair commercial practices (UCPs) with non-financial products and services. In order to carry out its task effectively in this area, the Consumer Authority requires a representative insight into the main UCPs in the Netherlands.

For this purpose, the Consumer Authority commissioned Intomart GfK to conduct a survey among Dutch citizens/consumers and experts. In particular, through this survey the Consumer Authority wishes to obtain a representative insight into the nature, extent and consequences, both financial and non-financial, of a selected group of UCPs in the Netherlands.

The survey does not focus on all UCPs in the Netherlands, because this would make the survey too large. The UCPs for the survey have been selected based on the following criteria:

1. It is an unfair commercial practice that is expected to be very common;
2. The unfair commercial practice is large-scale and brought to public attention through preconceived marketing methods;
3. The unfair commercial practice has a measurable and substantial financial impact;
4. Unfair commercial practices which focus solely on financial aspects (fraudulent investments, financial pyramid constructions) fall outside the scope of this survey.

The selection of the unfair commercial practices that met these criteria and are therefore included in the survey, was made in consultation with the Consumer Authority and the research bureau and based on the information resulting from the initial phases of the survey. These selection criteria produced the following list of unfair commercial practices to be studied:

- Misleading lotteries;
- Misleading prize draws;
- Misuse of expensive telephone numbers;
- Pyramid constructions;
- Misleading holiday clubs;
- Misleading and aggressive doorstep selling/improper pressure;
- Misleading and aggressive selling during bus tours;
- Unsolicited deliveries;
- So-called 'free' products;
- Products with a misleading health claim;
- Misleading and aggressive telephone selling.

The results of the survey serve, amongst other things, as input to establish which UCPs need to be given priority in enforcement and information to the consumer, and offer reference points for supervision and enforcement. The survey has focused specifically on the consumers' experiences: the starting point for determining whether individuals have become the target or

victim of certain unfair commercial practices, or whether people themselves feel they have been approached for the commercial practice concerned, and may have responded to this.

1.2 Survey format

The questions asked in this survey were as follows:

- 1) *Which UCPs using a preconceived marketing system and where a number of consumers are approached in the same way (via the Internet, post, misleading and aggressive telephone selling or doorstep selling), of some considerable extent and weight, can be identified in the Netherlands?*
- 2) *What is the nature, extent and origin (the Netherlands, other country) of these UCPs?*
- 3) *How many Dutch consumers come in contact with these practices as 'target' (people who are approached) and as 'victim' (persons who respond to a UCP)? Through which channels (Internet, post, telephone, doorstep selling, other) are they approached? What is the percentage of Dutch consumers per UCP that come in contact with these?*
- 4) *What financial loss are consumers confronted with as a result?*
- 5) *What non-financial effects do these practices have on consumer behaviour? (such as reduced consumer confidence, reduced use of certain channels/media such as the Internet.)*
- 6) *What is the nature and size of the target and victim groups (age, socio-economic background, etc.) and what relationships exist between the type of UCP and characteristics of the target and victim groups?*
- 7) *Are there any identifiable risk factors that may increase the risk of a consumer becoming a target or victim of a UCP?*
- 8) *To what extent do victims of these UCPs make a complaint and to which organisation do they do this? (Consumers Association [Consumentenbond], Legal Aid and Advice Centre [Juridisch Loket], ConsuWijzer, Consumer Ombudsman Foundation, etc.)*

In order to answer these questions, the survey comprised several qualitative and quantitative components. The survey was divided into four phases:

1. *An exploratory preliminary study* comprising six expert interviews, desk research and two focus groups with consumers. This gave an initial insight into the existence and effects of the various unfair commercial practices. Based on the insights obtained, an initial selection was made of the unfair commercial practices that should be studied.
2. *A quantitative screening* among the Dutch population aged 18 years and older. For this purpose we used the online Access panel of Intomart GfK that contains approximately 120,000 persons aged 18 years or older. A total of 71,600 consumers aged 18 years and older were questioned. This screening produced the most important information on the incidence of the various unfair commercial practices.
3. *A qualitative in-depth study* comprising nineteen telephone in-depth interviews with persons who had come into contact with one or more unfair commercial practices. These interviews led to information, on the basis of which a detailed questionnaire for the quantitative principal study could be compiled that closely matched the experiences of consumers.
4. *An online quantitative follow-up study* among a total of 2006 persons who had come in contact with one or more unfair commercial practices. The persons were selected based on the results of the quantitative screening. This quantitative study produced a large quantity of results on the financial and non-financial consequences of the various unfair commercial practices for the victims and the action that these individuals take if they find themselves a victim of an unfair commercial practice.

The chapter 'Survey methodology' contains further information about the survey format, the objective of the various phases and an explanation of the choices made.

1.3 Setup of the report

This report sets out the main findings of the entire survey. These findings are mostly reported based on the quantitative information obtained from the screening and the quantitative online follow-up study, since the results of the qualitative preliminary study served above all as input for the quantitative studies. Where relevant we give the quantitative results and/or add to them with findings from the qualitative preliminary studies.

Reading guide

The chapters of the report are set out as follows:

- **Chapter 2** describes which unfair commercial practices are examined, how the choice for these was made and what description of the UCPs was presented to the respondents. Chapter 2 also gives an overview of when an individual is a target and when a victim. The third part of this chapter describes the way the survey was carried out with the various study phases.
- **Chapter 3** contains the main results of the survey at an overall level for the unfair commercial practices that have been included in this survey:
 - an overview of the familiarity of the Dutch population with the various UCPs;
 - de target and victim incidence of the UCPs and an estimate of the number of Dutch citizens who have become victims of each UCP in the past year.
 - an overview of the contact frequency with UCPs: how often are targets and victims approached and how often do victims respond? How many approaches are made each year in the Netherlands?
 - the contact method: through which channels are individuals approached by UCPs and what differences are there in terms of channels of approach between the UCPs?
 - the reasons and motives of consumers for responding or not to a UCP;
 - the financial impact and/or loss to society. We give an estimate of the total costs of all UCPs to society as well as an overview of the average amount per UCP, making it clear which UCPs cause the greatest financial loss.
 - the non-financial impact of UCPs on society: what influence do the experiences of targets and victims with a UCP or UCPs have, according to them, on their attitudes and behaviour?
 - a socio-demographic profile of target and victim groups of UCPs. To what extent do the groups differ from each other? What is the profile of chronic victims? Can one establish a particular socio-demographic profile of target and victims groups, or is there, as international surveys show, 'a scam for everyone'?
 - the reaction of targets and victims to their experience of a UCP or UCPs is considered. Do they talk about it with family and friends? Or do they take it a step further, such as reporting it to an official body?
 - how do targets and victims perceive their experience of a UCP or UCPs: how unpleasant is the experience and to what extent can we see differences between the various UCPs?
 - a comparison of the main findings from the Dutch surveys with findings from foreign surveys in this area.

- **Chapter 4** gives for each UCP separately an overview of the main results. The following UCPs are considered in turn: misleading lotteries, misleading prize draws, misuse of expensive telephone numbers, pyramid games, misleading holiday clubs, misleading and/or aggressive doorstep selling and misleading and/or aggressive sales demonstrations during bus tours, misleading and/or aggressive telephone selling, unsolicited deliveries, so-called 'free' products, and finally products with a misleading health claim.

The tables of the monthly screening and the unweighted counts from the quantitative study of phase 4 are contained in a separate book of tables. The interview guidelines and questionnaires are contained in a separate book of appendices.

Presentation of answers

The answers to the questions are presented in text and graph form. The graphs show the percentages. Where the sum of the percentages is not 100%, this is caused by rounding-off differences. Where respondents were able to give more than one answer to a question, the percentages often add up to more than 100%. These tables also contain not only percentages but also the average number of answers given.

Source of data for the tables and interpreting the tables

When reading this report, it is important to bear in mind that the quantitative results described in this report originate from three separate studies, namely the online monthly screening in June, the quantitative online study of phase 4 in September, and the online monthly screening in September.

This has a number of consequences:

- The data on which the tables are based in Chapters 3 and 4 sometimes originate from one of these two studies, and sometimes from a combination of both. The tables all state the source of the data.
- Because of the phased and 'learning' setup of the survey, it has sometimes been decided in a series of studies to divide up the UCPs and look at them separately, or to add a UCP. This means that the number of UCPs is not always the same in all tables.

For the sake of clarity, the table on the following page shows in which paragraph which source of data (survey) has been taken as the basis and what this means for the number of UCPs that have been included.

Table 3. Overview of data sources for each paragraph

Paragraph	Data source	Consequences
H3		
3.1, 3.2, 3.8	The monthly screening in June, specifically for the UCP 'telephone selling' the monthly screening in September	<ul style="list-style-type: none"> The percentages for familiarity, targets and victims of the UCP 'misleading and aggressive telephone selling' as shown in paragraph 3.1 and 3.2 are based on the percentages from the screening in September. The number of victims of telephone selling has been calculated by converting the percentage from the screening in September into the number of people from the screening in June. The UCP 'misleading and aggressive selling during bus tours' is not included in the tables in paragraphs 3.1 3.2 and 3.8 because during the monthly screening in June these still formed part of the UCP 'misleading and aggressive doorstep selling practices'. Only later, during the phase 4 survey (following the findings from the phase 3 qualitative study) was it decided to divide this UCP into two.
3.6	The monthly screening in June, the monthly screening in September and the study of phase 4	<ul style="list-style-type: none"> Where the average number of UCPs to which someone falls victim is taken in calculating the financial loss, the results of the monthly screening in June are used. This means that the UCP 'telephone selling' is not included in this average, so that the 'actual' average may deviate slightly from this. The UCP 'misleading selling on bus tours with sales demonstrations' was initially (with the monthly screening in June) a part of the UCP 'doorstep selling / sales demonstration on location'. Later, with the phase 4 study, this UCP was divided into two separate UCPs 'misleading and aggressive doorstep selling' and 'misleading selling on bus tours with sales demonstrations'. For this reason, only figures on the incidence of the original 'combined' UCP are known. Information about the amount of loss per UCP are known for each of the UCPs separately, because these were considered separately in the phase 4 study. The calculation of the financial loss is partly a combination of the incident figures and the amount of loss. In this calculation, we have assumed for the incidence of both the UCP 'misleading doorstep selling on bus tours with sales demonstrations' and the UCP 'misleading and aggressive doorstep selling' the incidence from the monthly screening in June in which these UCPs were studied as a single UCP.
3.3, 3.4, 3.5, 3.7	Study of phase 4	<ul style="list-style-type: none"> The results are shown for all UCPs (including telephone selling and sales demonstrations during bus tours).
H4		
All paragraphs of H4	Study of phase 4	<ul style="list-style-type: none"> The results are shown for all UCPs separately (including telephone selling and sales demonstrations during bus tours).

2. Survey methodology

This chapter comprises three parts. The first part describes which unfair commercial practices are included in the survey, how this choice was made and what description of the UCPs was presented to the respondents. The second paragraph focuses on the targets and victims. The third paragraph describes the way in which the survey was carried out and its various phases.

2.1 Selection and description of the unfair commercial practices

The survey began with a survey of potential commercial practices on which the survey should then focus. Based on interviews with experts, desk research, information from ConsuWijzer and general insights, twenty-two potentially relevant UCPs were identified and listed.¹ This list was then narrowed down, and those UCPs were selected that would be expected:

- to be of a substantial size and nature;
- to cause considerable and measurable financial loss;
- and which fall within the regulatory domain of the Consumer Authority.

On this basis, the following eleven UCPs were selected for the survey:

- Misleading lotteries;
- Misleading prize draws;
- Misuse of expensive telephone numbers;
- Pyramid constructions;
- Misleading holiday clubs;
- Misleading and aggressive doorstep selling/improper pressure;
- Misleading and aggressive selling during bus tours;
- Unsolicited deliveries;
- So-called 'free' products;
- Products with a misleading health claim;
- Misleading and aggressive telephone selling.

The table below gives an overview of the descriptions of the UCPs as presented to respondents in the survey.

Table 4 Overview of descriptions of unfair commercial practices

Unfair commercial practice	Description in questionnaire of phase 4 of the survey
Misleading lotteries	You receive notification in Dutch or English that you have won a major prize in a lottery . All you need to do to receive the prize is to transfer a sum of money or give your personal details. If individuals respond to this, usually they hear nothing more. N.B. By this we do not mean ordinary lotteries in which you yourself can buy a lottery ticket.
Misleading prize draws	A company tells you that you will almost certainly win a prize if you buy or order something from them. But once they have purchased something or placed an order, persons will receive only a very small prize or nothing at all.
Misuse of expensive telephone numbers	You must dial an expensive telephone number for information on such things as working from home, modelling work, room letting or a test drive in an expensive car, without you knowing that it is an expensive telephone number. When people call, they are kept on the line

¹ These were: misleading prize draws, misleading lotteries, clairvoyant practices, expensive telephone numbers, family trees, pyramids, holiday clubs, misleading and aggressive doorstep selling, unsolicited deliveries, non-free products, health claims, wrongful recommendations, improper pressure, limited availability of product, special offers, misrepresentation of nature of the product, cash-back promotions, Internet fraud, 419 fraud, financial pyramids, advertising fraud, domain name fraud.

	for an unnecessarily long time. Service numbers, customer service numbers, helpdesk numbers and telephone numbers of phone-in games are not included in this.
Pyramid games	You are asked to participate with a group of people who sell products, and are told that you will receive a discount or can earn a lot of money if you sell the products. The discounts or income however, are very disappointing for many people. And in order to earn anything, participants themselves have to recruit new people to participate in the sales activities. This is known as a 'pyramid game' or 'pyramid construction'.
Misleading holiday club	You are asked to become a member of a holiday club . They tell you that if you join you will then receive big discounts on holidays. Or you are asked to buy in to a holiday resort. Sometimes a free holiday may be offered too. In practice, the range of cheap holidays is often very disappointing.
Misleading and aggressive doorstep selling	A person knocks on your door and wants to sell you something. The salesperson can be so persistent or lie about the situation or about what he wants to sell, that people sometimes buy something they do not actually want.
Misleading and aggressive selling during bus tours	You, together with other people during a bus tour in the Netherlands , are brought together at a location for a 'sales demonstration'. The salesperson can be so persistent or lie about the situation or about what he wants to sell, that people sometimes buy something they do not actually want.
Unsolicited deliveries	A company sends you something which you have not asked for , and acts as if you are required to pay. If you do not reply, you receive a bill and often will be sent new articles again.
So-called 'gratis' products	A product is offered free . But if someone wants to take up the offer, it turns out that he/she needs to pay after all, such as for administration costs, postage or printing costs. Or it turns out that he/she must take out a subscription/membership which costs money, or receives new things which do have to be paid for.
Products with a misleading health claim	An advertisement promises that a product will make everyone healthier, slimmer or more beautiful . But the product does not do what the advertisement says.
Misleading or aggressive telephone selling	You are telephoned by someone who is trying to sell you something. The salesperson can be so persistent or lie about the situation or about what he wants to sell, that people sometimes buy something they do not actually want.

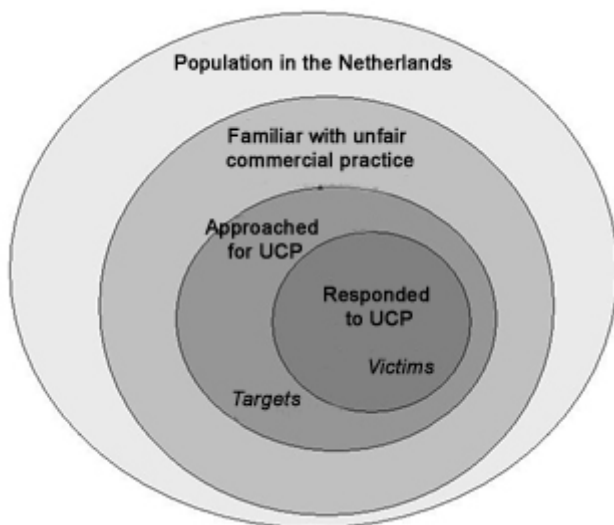
2.2 Definition of targets and victims

Respondents were asked in three steps whether they felt they had been a victim of the various unfair commercial practices. First they were asked whether they knew of a particular UCP. If that was the case, they were asked whether they had ever been approached for it. Those who had been approached then had to say whether they had responded to the UCP. Each individual who had responded to a UCP was initially regarded as a victim of this UCP.

The starting point in defining targets and victims is the experience of the consumer. If a consumer stated that he or she had been approached for a particular commercial practice, in that case he or she was a target. It was not checked whether the commercial practice concerned actually existed. Among victims, the survey checked that a person had actually responded to a practice in such a way that this person became a victim, but once again did not check whether the practice actually complied with the characteristics of an unfair commercial practice.

In order to make a clear distinction between the characteristics of targets and victims, the group of targets was defined in the survey as being those who had indeed been approached but had not responded to the UCP concerned. The figure below shows how the questions were put and the relationship between the victim and target population.

Figure 2. Targets and victims



A potential problem with the survey was whether someone who had stated that he/she had responded to a particular UCP was actually a victim of this unfair commercial practice. After all, sometimes a person responded to a particular practice, such as by attending a presentation, but was not yet a victim.

A person only becomes a victim if he or she has provided his personal details or has paid money. On the other hand, individuals often do not regard themselves yet as victims, but actually are according to the criteria of the survey, e.g. not because they have bought anything but because they have given their personal details. A number of criteria were drawn up for the survey to determine whether or not someone has become a victim. These criteria were tested by putting validation questions in the questionnaire (see also paragraph 2.3.4). The starting point for being a victim is whether the person has suffered any material loss or may suffer such by having responded to the UCP concerned.

The following table shows when someone is a victim of an unfair commercial practice. Based on this definition, following a number of validation questions the respondents from the phase 4 study were classified as a target or victim.

Table 5. Definition of being a victim

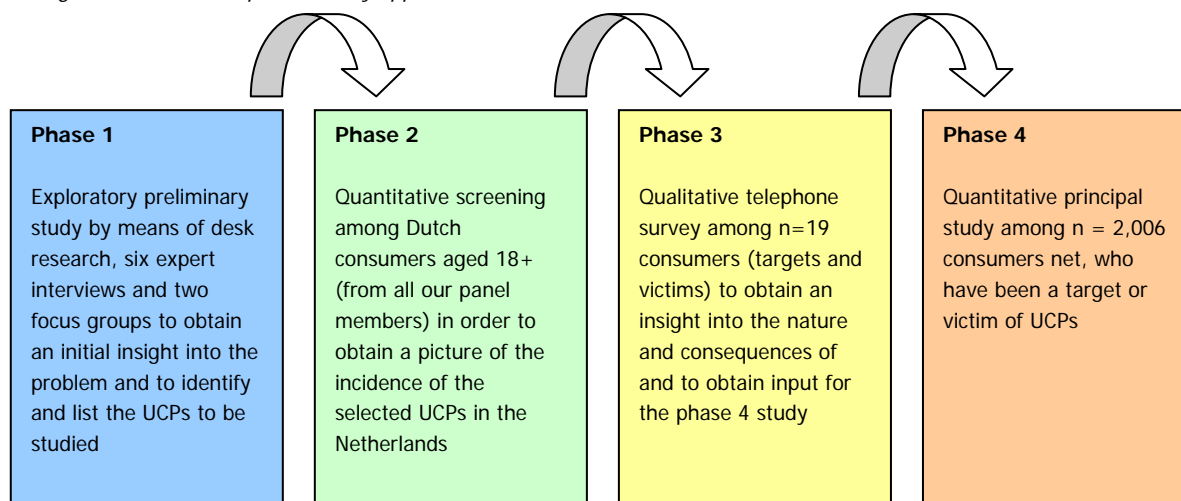
Unfair commercial practice	Definition of being a victim
Misleading lotteries	<ul style="list-style-type: none"> • has given out personal details (bank details or other personal information); • and/or has paid an amount of money (to obtain the prize).
Misleading prize draws	<ul style="list-style-type: none"> • has given out personal details (bank details or other personal information); • and/or has paid an amount of money/costs to obtain the prize; • and/or has bought a product or service.
Misuse of expensive telephone numbers	<ul style="list-style-type: none"> • has called a misleading expensive telephone number.
Pyramid game	<ul style="list-style-type: none"> • has bought products of the pyramid organisation and has then sold or tried to sell these to others; • has recruited new people who could sell the products. • N.B.: people who have only attended a presentation without taking up the offer further are regarded as a target and not a victim.
Misleading holiday club	<ul style="list-style-type: none"> • has become a member of a misleading holiday club. • has bought oneself into a holiday club/ holiday resort. • has accepted the 'free' holiday. • N.B.: people who have only attended a presentation without taking up the offer further are regarded as a target and not a victim.
Misleading and aggressive doorstep selling	<ul style="list-style-type: none"> • has bought a product or service from a misleading or aggressive doorstep salesperson.

Misleading and aggressive selling during bus tours	<ul style="list-style-type: none"> has bought a product or service from a misleading or aggressive sales demonstration during a bus tour.
Unsolicited deliveries	<ul style="list-style-type: none"> has paid a sum of money for a product sent that has not been asked for (for postage costs or the product itself).
So-called 'free' products	<ul style="list-style-type: none"> has paid an amount for the 'free' product (for postage or the product itself).
Products with a misleading health claim	<ul style="list-style-type: none"> has bought a product with a wrongful health claim.
Misleading or aggressive telephone selling	<ul style="list-style-type: none"> has bought a product or service from a misleading or aggressive telephone salesperson

2.3 Phased survey setup

In order to answer the survey questions as effectively as possible, we decided on a phased approach, using the experiences and learning points from a previous phase for the following phase. The phased survey setup comprised several qualitative and quantitative components. The figure below gives an overview of the four study phases and the objective of each phase. In the following paragraphs, we will discuss further the objective, procedure and main methodological points of consideration for each phase.

Figure 3. overview of phased study approach.



2.3.1 Phase 1: Exploratory preliminary research

Objective

The objective of the preliminary research was:

- to obtain a broad understanding of the problem of UCPs;
- to identify and list possible UCPs to be studied, and to make a final selection of UCPs on which the survey would focus further, namely on UCPs that are very common, are sold to people by means of preconceived marketing methods, which also significantly affect the victims, both financially and otherwise;
- to obtain an initial insight into the experience of consumers, in order to align this as closely as possible with the development of the questionnaires in the subsequent research phases.

Method

The study method chosen was a qualitative preliminary study comprising:

- desk research (including analysis of comparable foreign surveys, a websearch);
- expert interviews;

- two focus groups with a total of 19 consumers who have become a target and/or victim of one or more unfair commercial practices.

The experts were recruited and selected in close cooperation with the Consumer Authority, which made the initial contacts. The respondents for the focus groups were recruited and selected by Intomart GfK's own Recruitment and Selection department.

Results of the first phase

The qualitative study showed above all that the consumers themselves see little difference between UCPs and fraud. For them, this is a very thin dividing line. They also do not always recognise the difference between particular UCPs (such as misleading lotteries and misleading prize draws). For the follow-up study, finding the 'correct' definition of UCPs that corresponded with the experiences of consumers was therefore crucial for their validity. The first phase led to an initial list of unfair commercial practices for further study.

2.3.2 Phase 2: Quantitative screening

Objective

The aim of the quantitative screening was twofold:

- To obtain a quantifiable, representative insight into the extent of the UCPs selected from phase 1 in the Netherlands, and within this specifically the size and nature (profiles) of the target and victim groups;
- To obtain a sufficiently large and varied collection of groups of targets and victims of UCPs in the Netherlands, which we could use to select participants for the qualitative phase 3 study and respondents for the quantitative phase 4 study.

Setup

This data was collected online using an online questionnaire.

In view of the relatively low victim incidence that was found abroad,² it was necessary to collect data online from a very large number of respondents, in order to obtain enough respondents for the quantitative phase 4 study. For this purpose we put the questions for this phase to all persons older than 18 years in the online Access panel of Intomart GfK. This online panel comprises about 130,000 respondents, of which about 120,000 are 18 years or older.

Results of the second phase

The screening questionnaire was put to all active panel members, of which ultimately 77,347 respondents completed the questionnaire. Of these, 71,600 observations were usable, as these contained all the socio-demographic background characteristics relevant to this survey.

Of these 71,600 respondents, 49,920 respondents had been a target in the past year of at least one UCP, and 11,491 respondents stated that they had been a victim in the past year of at least one UCP. The screening produced sufficient groups with targets and victims for the follow-up study.

In order to be able to draw some representative conclusions about the Dutch population aged 18 years and older based on the results of the screening, we weighted the results of the screening according to educational qualifications, age, gender and region.

² See paragraph 3.11 which compares the results of this Dutch study with the findings from foreign surveys.

2.3.3 Phase 3: Qualitative in-depth study

Objective

This qualitative study was designed to obtain input on the details of the various unfair commercial practices, so that a questionnaire could be developed for the quantitative principal study that matched in wording and content the experiences of consumers. There were three sub-objectives for this phase, all three aimed at obtaining information that was needed for the questionnaire and to support the quantitative findings:

- to obtain more information on the nature and procedures of the UCPs and the reasons why people do or do not respond to a UCP and/or become a victim;
- to find out more about the financial and non-financial consequences (impact on behaviour) of becoming a victim of a UCP;
- to obtain greater insight into the wording and terms that targets and victims use to describe their experiences and the UCPs themselves.

Setup

A total of 19 citizens/consumers were selected to take part in the survey, comprising targets and victims of the nine selected UCPs. The respondents were selected based on the answers they gave in the screening of the preceding study phase. Telephone interviews were held with these respondents.

Results of the third phase

This survey also showed that the dividing line between certain UCPs is not always very clear to consumers, particularly because some UCPs use each other's 'techniques'. For example, misleading prize draws and misleading lotteries are sometimes confused with each other, because misleading prize draws are often presented as a lottery. Misleading holiday clubs are sometimes also presented as a free product. An unsolicited delivery also sometimes appears to be a free product. Precisely for this reason it was very important to formulate the definitions as clearly as possible in the follow-up study.

It proved that as the interview progressed, individuals remembered more experiences (their own, or those of family and friends) with UCPs, because their memories were activated.

Another learning point was that the dividing line between when a person is a target and when a victim does not always match the definition of the survey. With pyramid games and misleading holiday clubs, for example, some consumers also feel they are victims if they merely attend a presentation without taking it any further.

Based on these learning points, for the follow-up study we decided to divide up in as detailed a way as possible the various activities possible with a UCP, which would allow us to determine whether or not a person is a victim according to the definition of the survey.

In addition, it proved desirable to include misleading and aggressive telephone selling in the further study. Misleading and aggressive selling during bus tours also proved to be more readily recognisable if it was included as a separate UCP instead of as part of misleading doorstep selling. We added misleading and aggressive telephone selling in the phase 4 study, and included the incidence questions on them in an additional monthly screening in September. Misleading and aggressive selling during bus tours was included in the phase 4 study as a separate UCP.

In addition, suggestions were made for tightening up the definition of some UCPs.

2.3.4 Phase 4: Quantitative follow-up study

Objective

The aim of the phase 4 quantitative follow-up study was to collect detailed information on the selected UCPs, in order to obtain a quantifiable insight into the nature of the UCPs and their consequences (both in a financial and non-financial sense).

Setup

Taking account of the learning points of previous phases, we developed a quantitative questionnaire for the phase 4 principal study. In this questionnaire, first we established (by means of a comparable questionnaire such as the screening questionnaire) whether individuals had been approached and had responded to the eleven UCPs presented. Then they were presented with a block of questions for each UCP which they had come into contact with, containing 'validation questions' to establish whether they were targets or victims in accordance with the 'objective' criteria. Based on the answers to the validation questions, they may or may not have been asked further questions, such as questions about the financial loss and reasons why they did or did not respond.

The questionnaire was pretested with 12 victims of UCPs, who had completed the questionnaire online in the presence of a qualitative researcher. While doing so the respondents were asked to think aloud and indicate any areas that were unclear and ask any questions. The pretest was extremely useful and led to a number of important textual modifications.

Based on the information from the monthly screening of target and victim groups of the UCPs presented, we took a gross random sample of $n=1800$ targets and 1800 victims. We stratified these random samples into nine UCPs³. This means that for each UCP we selected a gross number of 200 targets and 200 victims. The reason for this is that we wanted in this study to achieve a sufficient number of observations per UCP of the 'objective' victims as defined in the study (at least 50, preferably at least 100). We suspect that with some of these there could be a discrepancy between the experience of being a target/victims by those in the panel, and the criteria that were used in the survey. That is why we felt it useful to take very broad random samples ('oversampling').

Results of phase 4

The suspicion that there was a discrepancy between those who stated that they had responded to a UCP and who were victims according to the definition of the survey proved to be correct. The table below shows for each UCP an overview of the number of respondents who were a

³ For two UCPs it was not possible to stratify separately, because these UCPs were not included in the monthly screening and therefore no information on targets and victims was known. These UCPs are:

- Misleading and aggressive telephone sales → this UCP was only added in phase 4 and not included in the monthly screening. In view of the results from the qualitative study in which many respondents spontaneously mentioned this UCP, we were confident that the existing random sample would contain enough people who had experienced this. The incidence figures for misleading and aggressive telephone selling were obtained by having the screening questions on them run into the monthly screening in September.
- Misleading doorstep selling on bus tours with sales demonstrations. → this UCP was initially part of the UCP 'doorstep selling / sales demonstrations on location' and in the phase 4 study was divided up in order to provide a more accurate insight into the experience of the UCP. The incidence figures for this UCP are contained in the incidence figures of the UCP 'doorstep selling / sales demonstrations'.

target or victim of a UCP. In doing so we first show the respondents' own experience, i.e. their answers to the questions:

- *Have you yourself come in contact in any way the past 12 months with one of the following? (target) (question 8 in the questionnaire)*
- *If Yes to one of the UCPs in the previous question: Have you yourself responded in the past 12 months to the proposal that was made to you (e.g. by transferring money, giving out your personal details, buying a product or service, calling a telephone number) (question 9 in the questionnaire)*

Table 6 then shows the number of targets and victims in this phase 4 study, according to the definition of the survey. Based on these results, the respondents have been classified as a target or a victim for the analysis and report.

Table 6. Overview of net observations in the phase 4 study, divided up by UCP and by definition

UCP	Respondent has been approached		Respondent has responded		Target according to survey definition		Victim according to survey definition	
	N	%*	N	%*	N	*%	N	%*
Misleading lotteries	984	49%	91	5%	737	6%	122	6%
Misleading prize draws	1234	62%	207	10%	860	15%	308	15%
Misuse of expensive telephone numbers	761	38%	221	11%	460	14%	285	14%
Pyramid games	569	28%	68	3%	524	2%	45	2%
Misleading holiday clubs	625	31%	146	7%	483	7%	142	7%
Misleading or aggressive doorstep selling	698	35%	153	8%	551	7%	136	7%
Misleading or aggressive selling during bus tours	547	27%	94	5%	450	3%	58	3%
Unsolicited deliveries	544	27%	169	8%	444	5%	100	5%
So-called 'free' products	1153	57%	390	19%	871	14%	259	14%
Products with a misleading health claim	912	45%	248	12%	688	11%	224	11%
Misleading or aggressive telephone selling	976	49%	unknown	unknown	860	6%	116	6%

* Percentages are based on the total of n (net) = 2006 respondents in the phase 4 study.

If we look at the data contained in Table 6, we see that the number and percentage of victims of misleading lotteries, misleading prize draws and misuse of expensive telephone numbers is somewhat higher if we categorise them according to the definition of the survey rather than according to the respondents' own experience. With misleading lotteries and misleading prize draws, a possible explanation for this is that in the definition of the survey, people who had not paid any money but had indeed given their personal details for these UCPs are regarded as victims. Not all people regard giving their personal details as responding to a UCP. In the case of misuse of expensive telephone numbers, there are more victims than people who stated they had responded – these are people who called the telephone number but felt this was not actually responding to the practice because they did not take up the offer promoted in the advertisement of the expensive telephone number.

With misleading and aggressive selling during bus tours, pyramid games, unsolicited deliveries, so-called 'free' products and products with a misleading health claim, the number and percentage of victims is somewhat lower if we categorise these UCPs according to the definition of the survey rather than according to individuals' own experiences. Respondents here did indeed respond to an offer (such as by joining a bus tour or attending a presentation of a pyramid), but did not become a victim because they did not pay any money or give any personal details.

In order to create the socio-demographic profile of targets and victims, we decided to use the information from the screening. The following reasons prompted this choice:

- The information from the screening comprises the information on the total group that is the subject of the survey: victims, targets and those who have not been a target in the past year. This enabled us to make a comparison between all these three groups according to their socio-demographic profile. Although the targets and victims do differ from each other, targets and 'non-targets' do not. The phase 4 study contains only targets and victims, so that these comparisons are not possible.

- The information from the screening is statistically more robust because it is based on a very large number of respondents (71600) and has been re-weighted according to relevant background characteristics.
- In order to obtain enough victims in the fourth phase of the study, an aselect random sample of victims from the screening was not feasible. It proved necessary to divide up the gross random sample in advance based on the UCPs selected (stratification) and to take as large a gross sample as possible ('oversampling'). The division of targets and victims across all UCPs and the effect of some UCPs on the total consequently does not conform to reality, so that it is not useful to base incidence figures and figures on the overall socio-demographic profile of target and victim groups on this.

Within the UCPs, we compared the extent to which the socio-demographic characteristics of targets and victims as found in the screening correspond with the information from the study of phase 4 (according to the definition of targets and victims in the survey). Where there are significant differences, we state this in part B of this report with the individual overviews of the main results for each UCP.

Finally: since individuals could have been the target and victim of more than one UCP, the number of observations in some questions is greater than the number of respondents.

For each table in this report we state the data source on which the table is based (screening or the phase 4 study) and whether the table is based on the number of respondents or the number of answers.

3. Overall results

This chapter sets out the main results of the survey at an aggregate level (i.e. for the eleven UCPS together that have been studied). The following subjects will be discussed in succession:

- the familiarity of the Dutch population with the various UCPS;
- the target and victim incidence;
- the contact frequency;
- the contact method;
- the reasons and the motives of consumers whether or not to respond to a UCP;
- the financial impact of UCPS on Dutch society;
- the non-financial impact of UCPS on society;
- a socio-demographic profile of target and victim groups of UCPS;
- the reaction of targets and victims to their experience with UCP(s);
- the perception of targets and victims of their experience with UCP(s).

We conclude this chapter with an overall comparison of a number of major findings from this survey with the findings of foreign surveys.

3.1 Familiarity with unfair commercial practices

Almost nine out of ten (89%) Dutch citizens aged 18 years and older are familiar with one (or more) UCPS when asked about the various UCPS. This is shown in Table 7. The most well-known UCPS are: so-called free products, misleading health claims and misleading prize draws. The least well-known UCPS are misleading holiday clubs, pyramid constructions and unsolicited deliveries.

Table 7. Familiarity with unfair commercial practices in the Netherlands

Name	N=	The Netherlands	
		71,600	
So-called 'free' products	51,040		71%
Misleading health claims	48,630		68%
Misleading prize draws	47,757		67%
Misleading lotteries	40,937		57%
Misleading or aggressive telephone selling	38,171		53%
Misleading or aggressive doorstep selling	37,592		53%
Misuse of expensive telephone numbers	34,285		48%
Unsolicited deliveries	29,902		42%
Pyramid constructions	28,028		39%
Misleading holiday clubs	22,751		32%

Table 8 shows the demographic profile of all those who know of one or more UCP, together with the demographic profile of all people in the Netherlands. There are virtually no differences between the two profiles. It would seem that familiarity with UCP has nothing to do with the demographic profile.

Table 8. Demographic profile of familiarity with unfair commercial practices

		The Netherlands		Familiar with UCP	
	N=	71,600		63,892	
Gender					
Male	35,228	49%	31,083	49%	
Female	36,372	51%	32,809	51%	
Age					
18-34 years	19,632	27%	17,555	27%	
35-49 years	21,775	30%	20,049	31%	
50-64 years	23,833	33%	21,096	33%	
65 + years	6,360	9%	5,192	8%	
Household composition (1)					
Single person household	14,240	20%	12,552	20%	
Multi-person household	57,361	80%	51,341	80%	
Household composition (2)					
Household with children	10,535	15%	9,818	15%	
Household without children	61,065	85%	54,073	85%	
Level of education					
Low	15,165	21%	12,548	20%	
Medium	35,295	49%	31,839	50%	
High	21,140	30%	19,505	31%	
Socio-economic status					
Low	21,073	29%	17,955	28%	
Medium	15,408	22%	13,834	22%	
High	35,119	49%	32,102	50%	
Work status					
Self-employed	3,741	5%	3,438	5%	
Salaried employment	40,419	56%	36,692	57%	
Not working	6,447	9%	5,715	9%	
Retired	9,463	13%	7,893	12%	
Student	4,969	7%	4,361	7%	
Other	6,240	9%	5,582	9%	

Table 8. Demographic profile of familiarity with unfair commercial practices (cont.)

		The Netherlands	Familiar with UCP	
	N=	71,600	63,892	
Home ownership				
Homeowner	45,884	64%	41,262	65%
Rented accommodation	24,727	35%	21,845	34%
Not stated	767	1%	592	1%
Income				
Below average	3,867	5%	3,86	5%
Almost average	7,992	11%	7,051	11%
Average	7,008	10%	6,262	10%
1-2 times average	11,792	16%	10,662	17%
2 times average	15,617	22%	14,307	22%
More than 2 times average	8,351	12%	7,678	12%
Unknown	16,994	24%	14,518	23%
Region				
North	7,521	11%	6,703	10%
East	14,894	21%	13,312	21%
South	17,324	24%	15,422	24%
Large cities	7,698	11%	6,799	11%
Suburbs	3,331	5%	2,950	5%
Remaining West	20,833	29%	18,707	29%

3.2 Incidence of unfair commercial practices

Roughly two-thirds (67%) of Dutch citizens aged 18 years or older have been approached by at least one UCP (target) and 16% per cent of Dutch citizens aged 18 years or older responded to at least one UCP in the past 12 months (victim). This is shown in Table 9.

Table 9. Familiarity, target and victim with one or more UCPs (Basis: screening, n = 71,600)

	N	%
Familiarity with 1 (or more) UCPs		
Not familiar	7,708	11%
Familiar	63,892	89%
Target of 1 (or more) UCPs		
Not a target	23,503	33%
Target	48,097	67%
Victim of 1 (or more) UCPs		
Not a victim	60,290	84%
Victim	11,310	16%

Table 10 gives an overview of the incidence of familiarity, targets and victims for each UCP. This table also shows the total number of victims for each UCP, weighted and aggregated for the Dutch population aged 18 years and older.

The total figure given is the sum of the separate incidents for each UCP and is therefore not linked to a number of persons. It is estimated that a total of 4,655,794 cases of UCPs occur each year in the Netherlands.

The UCP of so-called free products has both the highest target incidence (40%) and the highest victim incidence (7%). In the top three of the highest target incidence, misleading prize draws (36%) come second and misleading lotteries (33%) third.

Misleading and aggressive telephone selling (6%) and products with misleading health claims (6%) share second place in the top 3 of the highest victim incidence. Together with so-called free products, misleading and aggressive telephone selling and products with misleading health claims they are responsible for 2,470,850 victim cases, or 53% of the total number of UCP victim cases.

Pyramid constructions and misleading holiday clubs have both the lowest target and victim incidence (misleading holiday clubs: 8% target, 1% victim; pyramid constructions: 9% target, 1% victim).

Table 10. Familiarity, target and victim of UCPs, number of victims aggregated for the entire Netherlands (n = 71,600)

	Percentage familiar with UCP	Percentage targets	Percentage victims	No. of victims in the Netherlands (18+)
So-called 'free' products	71%	40%	7%	935,601
Misleading or aggressive telephone selling	53%	24%	6%	809,900
Misleading health claims	68%	28%	6%	725,349
Misleading prize draws	67%	36%	4%	564,483
Misuse of expensive telephone numbers	48%	17%	4%	459,721
Misleading or aggressive doorstep selling	53%	18%	3%	347,151
Misleading lotteries	57%	33%	2%	249,288
Unsolicited deliveries	42%	13%	2%	239,483
Misleading holiday clubs	32%	8%	1%	165,405
Pyramid constructions.	39%	9%	1%	159,413
				4,655,794

3.3 Contact frequency

As Table 11 shows, victims are on average (for all UCPs together) approached more often than targets. This is particularly the case with the UCPs of misleading lotteries, misleading and aggressive telephone selling and pyramid constructions.

Victims are contacted on average 5.5 times and targets 4.9 times. For the Netherlands as a whole, this means that an individual is contacted on average 3.4 times a year, and that a total of 44 million approaches are made each year in the Netherlands.

It is also noticeable that the highest percentage of contact frequency of 6 or more times in the past 12 months is to be found with misleading and aggressive telephone selling (where 29% of the targets and 43% of the victims were contacted 6 or more times), with misleading lotteries (where 19% of the targets and 25% of the victims were contacted 6 or more times) following in a distant second place. We also find the highest average contact frequency with misleading and aggressive telephone selling, both for targets (9.6) and victims (11.8). People are also often contacted for misleading lotteries, misleading prize draws and misleading health claims.

With unsolicited deliveries, the number of approaches is the smallest among both targets (an average of 1.7 contacts during the past 12 months) and victims (an average of 2 contacts).

Table 11. Contact frequency, overall for targets and victims and divided between UCPs, both as a percentage division and weighted averages (basis: number of respondents and number of approaches (n) per UCP, from the phase 4 study). This is the number of contact attempts per 12 months.

		Misleading lotteries	Misleading prize draws	Misuse of expensive talanhone	Pyramid constructions	Misleading holiday clubs	Misleading or aggressive dinner calling	Misleading or aggressive calling during	Unsolicited deliveries	So-called 'free' products	Misleading health claims	Misleading or aggressive talanhone calling
Target												
	N=	983	1,234	761	569	625	698	547	644	1,153	912	976
Approached once	42%	32%	28%	36%	55%	63%	55%	52%	66%	45%	31%	35%
Approached twice	19%	18%	24%	25%	24%	19%	19%	22%	17%	18%	20%	10%
Appr. three times	9%	13%	14%	10%	4%	6%	9%	8%	6%	9%	9%	8%
Appr. four times	5%	6%	7%	4%	2%	2%	6%	4%	5%	6%	6%	5%
Appr. five times	5%	5%	6%	6%	2%	1%	4%	3%	1%	5%	7%	7%
Appr. six times or more	12%	19%	13%	8%	5%	4%	4%	3%	2%	12%	17%	29%
Don't know	7%	8%	9%	11%	8%	5%	4%	8%	3%	5%	10%	6%
Total number of approaches	9,002	6,067	7,145	2,530	1,211	1,278	1,531	1,065	871	4,816	5,533	8,846
Average number of approaches	4.9	6.7	6.3	3.7	2.3	2.2	2.3	2.1	1.7	4.4	6.8	9.6
Victim												
	N=	340	545	409	163	242	282	203	232	606	462	297
Approached once	34%	17%	28%	38%	29%	53%	44%	35%	53%	45%	32%	0%
Approached twice	23%	22%	23%	26%	42%	26%	23%	29%	25%	18%	22%	16%
Appr. three times	11%	14%	14%	9%	8%	7%	11%	11%	7%	10%	10%	12%
Appr. four times	6%	8%	8%	5%	3%	3%	5%	5%	6%	6%	6%	11%
Appr. five times	6%	5%	6%	6%	4%	3%	8%	5%	2%	5%	5%	10%
Appr. six times or more	14%	25%	15%	9%	9%	4%	5%	4%	3%	11%	16%	43%
Don't know	6%	9%	5%	8%	6%	3%	4%	9%	4%	5%	8%	8%
Total number of approaches	3,781	2,518	2,935	1,170	386	455	741	437	418	2,628	2,510	2,799
Average number of approaches		9.6	6.7	3.6	3.3	2.2	2.9	2.7	2.0	4.8	6.8	11.8

3.4 Contact method of unfair commercial practices

Contact methods used

At an aggregate level, the contact method most commonly used by UCPs are: post (21%), telephone (19%), email (18%) and Internet (11%). Other contact methods occur in 8% of contacts or less.

Table 12 gives an overview of the contact methods used for all the UCPs together, and separately for each UCP, dividing each one according to the total (targets and victims together), targets and victims. With misleading and aggressive doorstep selling, misleading and aggressive selling during bus tours, unsolicited deliveries and misleading and aggressive telephone selling, there is always a single specific contact method. For reasons of clarity, the information for these UCPs has not been stated separately for these UCPs. They are however included in the calculation of the total picture for all UCPs together.

As the table shows, most UCPs use several contact methods, most of which use between one and three contact methods. Post is the main form used for misleading prize draws, while misleading holiday clubs use the telephone the most. Email is the main form of contact with misleading lotteries, pyramid constructions and so-called free products. With expensive telephone numbers and so-called free products, the Internet (sometimes shared with email) is the main channel of contact. In addition, misleading health claims are made mainly through advertisements in magazines and newspapers. Only with pyramid constructions does word-of-mouth advertising play an important role.

Effectiveness of contact methods

In addition, the table shows how effective or successful the various contact methods are. A contact method is more successful as relatively more people have received an offer for a UCP or have responded to it (the victims) than those who have not responded (the targets) by means of this method. The method is evidently effective, because those who have received an offer for a UCP through this method tend more often than not to respond to it.

If we look at the four contact methods used most often (post, telephone, email and Internet) the first thing we notice is that approaches by post are a relatively unsuccessful method. With most of the UCPs for which postal contact is used, victims are in fact less often contacted through this method than targets. An exception to this are the UCPs of unsolicited deliveries and misleading prize draws; for these, this method of approach is indeed successful. Email is also a less successful contact method: victims are less often, or slightly less often, approached through this contact method than targets.

The telephone, on the other hand, is a successful target method: with all UCPs victims have been approached as often or more often than targets through this method.

It is also striking that an advertisement in a magazine or newspaper is an extremely successful contact method for the UCP of misuse of expensive telephone numbers: almost twice as many victims (31%) as targets (13%) say they have been approached in this way. We also see this with word-of-mouth advertising with the UCP of pyramid constructions: 24% of the targets compared to 56% of the victims were approached through this contact method. In addition, we see that the shop is a relatively successful method with the UCP of products with a misleading

health claim (1% of the targets compared to 6% of the victims have come in contact with these products through the shop).

With the other contact methods, we see few differences between targets and victims. This may also be to do with the small number of observations sometimes made per contact method per UCP.

Table 12. Contact method per UCP (basis N=8,723 answers, phase 4 study)

N.B.: Targets and victims of one UCP may also be the target/victim of another UCP. The contact methods of the UCPs that are not mentioned in the table (misleading doorstep selling, misleading selling on bus tours, unsolicited deliveries and misleading telephone selling) also count towards the total.

	Misleading lotteries			Misleading prize draws			Misuse of expensive telephone numbers			Pyramid constructions			Misleading holiday clubs			So-called products 'free'			Misleading health claims		
	Total	Target	Victim	Total	Target	Victim	Total	Target	Victim	Total	Target	Victim	Total	Target	Victim	Total	Target	Victim	Total	Target	Victim
N = 8,723	859	737	122	1,168	860	308	745	460	285	569	524	45	625	483	142	1,130	871	259	912	688	224
Post	21%	24%	25%	49%	47%	55%	8%	10%	4%	7%	7%	0%	14%	15%	12%	20%	21%	14%	13%	14%	13%
Telephone	19%	7%	6%	12%	11%	14%	6%	6%	7%	4%	4%	4%	26%	24%	35%	21%	21%	21%	5%	4%	6%
Email	18%	56%	56%	22%	25%	15%	23%	25%	15%	23%	28%	13%	27%	28%	20%	23%	22%	26%	13%	15%	7%
Internet	11%	10%	10%	11%	11%	10%	26%	21%	35%	11%	11%	9%	14%	13%	17%	23%	22%	29%	16%	14%	21%
Door-to-door	8%	0%	0%	0%	0%	0%	0%	0%	0%	2%	2%	2%	1%	1%	1%	1%	1%	0%	1%	1%	0%
Advertisement in magazine	5%	0%	0%	1%	1%	1%	21%	16%	31%	5%	6%	0%	2%	3%	1%	2%	2%	3%	24%	25%	21%
Radio or TV advertising	2%	0%	0%	1%	1%	0%	5%	6%	3%	1%	1%	0%	1%	1%	0%	1%	1%	2%	13%	13%	16%
Word of mouth	2%	0%	0%	0%	0%	1%	1%	1%	0%	26%	24%	56%	2%	3%	0%	0%	0%	0%	1%	1%	2%
Flyer	1%	0%	1%	1%	1%	2%	2%	2%	1%	2%	2%	2%	2%	3%	0%	1%	1%	1%	4%	4%	4%
Shop	1%	0%	0%	0%	0%	0%	0%	0%	1%	2%	2%	0%	1%	1%	1%	1%	1%	1%	2%	1%	6%
Other	7%	0%	0%	1%	0%	2%	1%	1%	1%	3%	3%	0%	8%	8%	4%	1%	1%	1%	1%	0%	2%
Don't know	4%	0%	0%	2%	2%	1%	8%	10%	5%	10%	11%	7%	6%	7%	1%	6%	7%	2%	6%	8%	2%

3.5 Reasons for responding or not responding to an unfair commercial practice

The qualitative study showed clearly that a combination of several factors may cause someone to decide whether or not to respond to an unfair commercial practice:

- Interest in the offer: there may be a real need among consumers for the product or service offered, or in fact no interest whatsoever;
- The provider and form of offer itself: the provider may or may not appear to consumers to be legitimate, through the form of the offer individuals may be put under pressure or stimulated to buy something that normally they would not buy;
- Having experience and being informed: people who have experience, either directly or indirectly, will be less likely to be taken in (again) than those without experience/information.
- Vulnerability due to situational circumstances. The respondents who participated in the qualitative study regard the following groups as more vulnerable: people in a difficult financial situation, people in poor health, people who are very busy, demographic characteristics (perceived as more vulnerable: the elderly, people on a low income, with a low level of education, a low social class) and personal characteristics (perceived as more vulnerable: gullible, naive and impulsive people; less vulnerable: level-headed people who are sure of themselves).

With each UCP of which respondents had stated they had been a target or victim, in phase 4 of the survey respondents were presented with a list of possible reasons for responding or not responding to the UCP. In this paragraph we will describe the results of this question, above all at aggregate level (i.e. for all the UCPs together). The tables give both the reasons at a total level and at UCP level. For a description of the most common reasons *for each UCP* we refer you to Chapter 4 which contains a profile for each UCP.

3.5.1 Reasons for responding to a UCP

Overall picture

Victims gave an average of 1.6 reasons why they responded to a UCP. Table 13 shows the reasons overall and for each UCP. The average number of answers varies little between the UCPs, from 1.7 (with misuse of expensive telephone numbers, pyramid constructions and misleading and aggressive doorstep selling) and 1.3 (with misleading prize draws).

'I was interested in the offer' (39%), 'the offer/provider appeared to be credible' (21%), followed at a distance by 'I didn't think very carefully about it / I responded on impulse' (16%) and 'I received something free, or almost free' (14%) are the reasons mentioned most often by victims at an overall level for responding to a UCP.

Reasons also given are: 'I thought that I had been specially selected' (8%), 'I had no idea that something was not quite right' (7%), 'They gave a guarantee' (7%) and 'I was pleased that I might have won something' (6%).

Five per cent or fewer of the victims also mentioned as reasons: 'I just went along with it' (5%), 'I was busy with other things' (5%), 'I wanted to be rid of it and so just said yes' (5%) and 'I was put under pressure' (4%).

Striking differences between UCPs

Just as with the reasons that targets put forward for not responding to a UCP, the reasons put forward by victims for indeed responding to a UCP do also vary per UCP. For example, it is noticeable that the reason 'I thought that I had been specially selected' and 'I was pleased to have won something' were the most frequently given for misleading lotteries and prize draws. This corresponds to the way in which these UCPs are offered to people: it is offered in such a way to give people the impression that they have been specially selected to win something. This approach appears to work, because since people have the feeling that they have been specially selected, it is more credible to them and they experience a kind of pressure 'not to miss out on this opportunity'.

What is also striking with the reason 'I thought that I had been specially selected' is that this reason is not mentioned by victims of 'pyramid constructions', whereas this could indeed be a reason. With pyramid constructions, victims are in fact often approached through a person known to them, which could give them the feeling that they have been 'specially selected'. This reason is not mentioned either as an open answer in the category 'other, namely' (n=7 answers entered in this category). The relatively small number (n=45) of observations with this UCP may explain why this reason is not mentioned. Another possible explanation is that the approach by a person known to the victim is translated into a reason that has to do with trust in the offer and the provider. These reasons ('it appeared to be credible' and 'I did not think there was anything wrong') are indeed mentioned by victims.

Reasons such as 'I wanted to be rid of it' and 'I was put under pressure' were mentioned most frequently for UCPs where people may personally be put under pressure (pyramid constructions, misleading and aggressive doorstep selling, bus tours, misleading and aggressive telephone selling).

Also striking is that with holiday clubs the reason 'I thought it was free or almost free' was mentioned fairly often. This reason is probably mentioned by victims who were told with this UCP that they had won a free holiday or that membership of a holiday club would be free or almost free.

In short: these reasons mentioned by victims are to do with the characteristics of the offer and the provider (interest in the offer, creating trust in the offer / provider), the form and timing of

the offer and with personal characteristics (impulsiveness and naivety). A small number of victims state that they 'went along with it'. The qualitative study showed that these are people who are aware that it is an unfair commercial practice and try to reverse the roles: keeping the provider endlessly waiting or trying to obtain as many products as possible free or almost free from the provider without taking up a misleading offer.

Table 13. Reasons to respond to a UCP (basis: only victims, total for all UCPs 1,795 victims, n= 2,728 answers, study phase 4)

	Total	Misleading lotteries	Misleading prize draws	Misuse of expensive telephone	Pyramid constructions	Misleading holiday clubs	Misleading aggressive direct or indirect calling	Misleading aggressive selling during bus tours	Unsolicited deliveries	'free' products	Misleading health claims	Misleading aggressive telephone selling
	N = 1,795	122	308	285	45	142	136	58	100	259	224	116
Interesting offer	39%	10%	27%	32%	40%	46%	34%	24%	18%	66%	51%	51%
Appeared to be credible	21%	20%	23%	23%	33%	27%	24%	14%	9%	12%	33%	12%
Impulsive response	16%	11%	15%	16%	18%	18%	24%	19%	9%	17%	16%	18%
(Almost) free	14%	8%	21%	3%	0%	19%	8%	24%	25%	27%	6%	10%
Specially selected	8%	25%	18%	6%	0%	8%	0%	5%	11%	2%	3%	3%
Didn't suspect anything wrong	7%	6%	5%	17%	11%	7%	6%	5%	12%	4%	3%	4%
Was given guarantee	7%	8%	5%	3%	9%	10%	4%	10%	8%	2%	17%	7%
Pleased to win something	6%	16%	16%	3%	0%	1%	2%	10%	6%	1%	1%	2%
Go along with the game	5%	18%	11%	2%	11%	4%	2%	10%	2%	2%	1%	2%
Busy with other things	5%	3%	5%	4%	2%	11%	10%	2%	7%	2%	2%	12%
Wanted to get out	5%	0%	1%	1%	7%	7%	21%	12%	10%	2%	2%	13%
Put under pressure	4%	3%	0%	0%	11%	3%	13%	10%	6%	1%	1%	16%
Other, namely	11%	21%	14%	9%	20%	10%	8%	16%	16%	6%	5%	9%
Don't know	4%	9%	2%	7%	9%	3%	1%	3%	4%	2%	3%	3%
Total percentage =	159 %	163 %	127 %	171%	173 %	158 %	166 %	143 %	148 %	145 %	161 %	152%
Average number of answers	1.6	1.6	1.3	1.7	1.7	1.6	1.7	1.4	1.5	1.4	1.6	1.5

3.5.2 Reasons for not responding to a UCP

Overall picture

On average, targets mentioned 1.6 reasons why they did not respond to a UCP. The average number of answers for the UCPs ranges from 2.5 (with misleading lotteries) to 1.3 (with bus tours).

'Not interested in the offer' (40%), 'I did not take part in a lottery, prize festival or competition' (31%) followed at a distance by 'I simply didn't trust it' (17%) and 'they wanted money' (12%) are the reasons mentioned most often by targets for not responding to a UCP.

Reasons also mentioned are: 'I couldn't reach the company to get more information' (10%), 'I have not asked for anything / not ordered anything / had any contact with the provider' (10%), 'it seemed too good to be true' (9%), 'I've heard of it before' (7%) and 'they tried to put pressure on me' (6%). Reasons mentioned by less than five per cent of the targets were: 'It was too expensive' (4%), 'they asked for my personal details' (2%) and 'I have responded to the offer before' (1%).

Striking differences between UCPs

The primary reasons for not responding to a UCP vary per UCP and are to do with the nature of the UCP. For example, 'not interested in the offer' and 'I was put under pressure' are the most frequently mentioned reasons with misleading and aggressive doorstep selling and with misleading and aggressive telephone selling.

Reasons such as 'I did not take part in a lottery, competition or prize festival', 'they wanted money' and 'I simply didn't trust it', 'it was too good to be true', 'I've heard of it before' are mentioned most frequently with misleading lotteries as the reason for not responding to them.

In short: the reasons given by targets vary from UCP to UCP and are more or less to do with a lack of interest in the offer, a lack of trust in the offer / the provider / the form of offer and already having been warned about such practices.

Table 14. Reasons for NOT responding to a UCP (basis: only targets, total for all UCPs 7,018 targets, n= 11,266 answers, study phase 4)

	Total	Misleading lotteries	Misleading prize draws	Misuse of expensive telephone	Pyramid constructions	Misleading holiday clubs	Misleading or aggressive direct calling	Misleading or aggressive selling during business hours	Unsolicited deliveries	'free' products	Misleading health claims	Misleading or aggressive telephone selling
	N = 7,018	737	860	460	524	483	551	540	444	871	688	860
Not interested	40%	16%	30%	26%	27%	36%	57%	43%	45%	48%	47%	61%
Did not trust it	31%	60%	44%	47%	46%	41%	23%	15%	20%	18%	21%	14%
Too good to be true	17%	36%	28%	16%	20%	21%	7%	6%	3%	7%	28%	6%
Heard of it before	12%	30%	12%	19%	21%	12%	6%	14%	6%	5%	6%	6%
Too expensive	10%	2%	2%	11%	9%	13%	13%	24%	9%	11%	17%	7%
Never asked for it	10%	30%	24%	0%	0%	8%	0%	0%	28%	12%	0%	0%
They wanted money	9%	19%	8%	7%	10%	11%	4%	5%	15%	16%	4%	4%
They wanted personal information	7%	28%	11%	3%	4%	5%	5%	1%	4%	6%	2%	4%
Was put under pressure	6%	1%	2%	1%	8%	8%	12%	7%	6%	2%	1%	14%
Did not join in game lottery / competition / prize draw	4%	21%	9%	0%	0%	3%	0%	0%	3%	2%	0%	0%
Responded before	2%	2%	3%	2%	2%	2%	2%	1%	1%	3%	1%	2%
Could not reach company	1%	3%	1%	2%	1%	2%	1%	1%	2%	1%	1%	1%
Other, namely	6%	3%	4%	5%	4%	5%	12%	6%	4%	5%	4%	15%
Do not know	4%	1%	1%	3%	6%	6%	2%	5%	8%	5%	7%	3%
Total percentage =	161 %	251%	181%	142%	160 %	173 %	142 %	127 %	155 %	140 %	140 %	139%
Average number of answers	1.6	2.5	1.8	1.4	1.6	1.7	1.4	1.3	1.6	1.4	1.4	1.4

3.6 Financial impact of unfair commercial practices

Based on the amount that victims have paid the most recent occasion they responded to a UCP⁴, we estimate the **total loss to the Dutch population** aged 18 years and older per 12 months as a consequence of the UCPs studied at **€ 579 million** (rounded off).

⁴ In the phase 4 study, individuals were asked how many times they responded to an offer, however on the basis of the pretest and the answer we suspect that they have difficulty in remembering this correctly. The number of times given (if this is stated) is, we believe, not reliable enough to calculate the amount of the loss. For this reason (just as in the foreign surveys), in calculating the amount of loss we have taken the amount paid on the most recent occasion (this is the one that people are best able to remember).

In comparison: the total consumer spending of all private households in the Netherlands in 2007 was 259,659 million euro. This expenditure is for goods and services to satisfy directly the individual needs or wishes or the collective needs of members of the community. Consumer spending may be both domestic or abroad. (Source: CBS). Related to this amount of loss caused by the UCPs studied, this means that roughly 0.2 per cent of consumer spending in the Netherlands is related to a purchase decision that is made under the influence of such an unfair commercial practice.

Needless to say, perhaps, financial loss caused by UCPs that were not the subject of this survey have logically not been included in calculating the amount of loss. It is likely, therefore, that the amount of loss from all conceivable UCPs is therefore considerably higher than the amount estimated based on the eleven UCPs studied.

When estimating the total loss to the Dutch population, we adopt a margin of error of 100 million euro above and below, which means that we estimate that the total amount of the loss for the population is between 479 and 679 million euro. We take this margin of error because of the sometimes low number of observations with the amounts of loss reported, and because victims cannot always remember precisely the amount of the loss.

As we can see in Table 15, with some UCPs (such as misleading lotteries) only a small number of victims actually mention the actual amount of money most recently paid, because some (and sometimes a large number) of them can no longer remember the amount they paid or do not want to say how much it was. With many of the unfair commercial practices shown the table, all victims have paid a sum of money. One of the criteria for being a victim of these UCPs is that the victim has paid for a product or service. Where not everyone had paid a sum of money, one could also become a victim of a UCP by giving out information or having to recruit new people.

Of those who have paid a sum of money and did mention this, the majority (76%) say that the amount stated is a reasonably accurate estimate (55%) or the exact amount (21%). Roughly one-quarter (24%) say that the amount mentioned is a rough estimate.

Table 15. Estimate of accuracy of amount of loss stated (basis N=total 1,795 victims, phase 4 study)

	Total	Misleading lotteries	Misleading prize draws	Misuse of tel. expensive numbers	Pyramid constructions	Misleading holiday clubs	Misleading or aggressive doorstep selling	Misleading or aggressive selling during bus tours	Unsolicited deliveries	'free' products	Misleading health claims	Misleading or aggressive telephone selling
Total number of victims	1,795	122	308	285	45	142	136	58	100	259	224	116
Paid an amount of	1,530	19	155	285	36	142	136	58	100	259	224	116
Stated the amount	1,217	16	124	285	28	76	82	37	86	223	190	70
Rough estimate	24%	19%	16%	48%	21%	11%	15%	19%	24%	10%	24%	9%
Reasonably accurate	55%	50%	73%	44%	54%	49%	57%	57%	53%	65%	58%	41%
Exact amount	21%	31%	11%	8%	25%	41%	28%	24%	22%	25%	18%	50%

We suspect that the total amount of loss caused by the UCPs studied is an underestimate of the actual amount.

A direct argument for this suspicion is:

- People who have sometimes been a victim more than once of a single UCP during the reference period of 12 months. In that case, they probably paid an amount of money on more than one occasion. In the calculation, only the amount is included that they paid on the most recent occasion.

Indirect arguments for this suspicion are:

- People who have become a target or victim are possibly not always aware of this, and so they do not report it.
- People who are indeed aware they have become a victim may not say so from a sense of shame or they do not mention all the UCPs to which they have fallen victim.
- With UCPs in particular involving large amounts of money (such as doorstep selling, holiday clubs, selling during bus tours, telephone selling), a relatively large number of victims have indeed paid an amount of money but do not state this amount. It may be that they do actually know how much it was, but because of the large amount they are embarrassed to say the amount.

Table 16. Financial impact of unfair commercial practices in the Netherlands, total and divided according to UCPs

	Number of cases of loss that stated amount	Total sum of cases of loss	Average amount of loss	Amount of loss if all persons in the Netherlands aged 18+ (13 million) were to be a victim	Incidence from the screening	Sum of cases of loss for persons in the Netherlands aged 18+
Misleading holiday clubs	76	€ 82,353	€ 1,084	€ 14,086,697,368	1%	€ 183,127,066
Misleading or aggressive selling during bus tours	37	€ 10,935	€ 296	€ 3,842,020,000	3%	€ 103,734,540
Pyramid constructions	28	€ 18,375	€ 656	€ 8,531,250,000	1%	€ 102,375,000
Misleading or aggressive telephone selling	69	€ 8,350	€ 121	€ 1,573,130,000	6%	€ 97,534,060
Misleading health claims	190	€ 6,898	€ 36	€ 472,030,000	6%	€ 26,433,680
Misleading prize draws	123	€ 4,287	€ 35	€ 453,097,561	4%	€ 19,483,195
So-called 'free' products	222	€ 3,170	€ 14	€ 185,640,000	7%	€ 13,366,080
Misleading or aggressive doorstep selling	82	€ 2,845	€ 35	€ 451,036,585	3%	€ 12,177,988
Misleading lotteries	15	€ 479	€ 32	€ 415,133,333	2%	€ 7,887,533
Misuse of expensive telephone numbers	189	€ 2,988	€ 16	€ 205,523,810	4%	€ 7,193,333
Unsolicited deliveries	85	€ 1,911	€ 22	€ 292,240,000	2%	€ 5,260,320
Total loss						€ 578,572,795

With misleading holiday clubs, misleading or aggressive selling during bus tours, pyramid clubs and misleading and aggressive telephone selling, the amount of loss is relatively the highest, and with misleading lotteries, misuse of expensive telephone numbers and unsolicited deliveries it is relatively the lowest. This is in line with the findings from the qualitative study: with misleading holiday clubs, misleading or aggressive selling during bus tours and pyramid constructions (and also misleading and aggressive telephone selling), if people respond to the offer they often pay out large sums of money because usually a considerable purchase price is asked of them.

The **average loss per case** we estimate to be **€ 116**.

This amount is calculated by:

- Calculating the number of incidents of loss to the total population aged 18 years and older: total incidence of 0.384×13 million Dutch citizens aged 18+ = 4,992,000 cases of loss.
- The total amount of loss (corrected for the victim incidence of UCPs) of € 578,572,795 divided by the number of 4,992,000 cases of loss = € 116

We estimate that the **average loss per inhabitant** of the Netherlands aged 18 years and older is **€ 45 per 12 months**.

This amount is calculated by:

- Dividing the total amount of loss (corrected for victim incidence) of € 578,572,795 by 13 million Dutch citizens aged 18+ = € 45

In comparison: the average personal income (income from work, income from own enterprise, payment of income insurance and payment of social benefits, with the exception of child allowances) was € 25,800 per annum in 2006. (source: CBS). Roughly 0.2 per cent of the income of each person goes to unfair commercial practices.

We estimate that the **average loss per victim** aged 18 years and older in the Netherlands is **€ 217 per 12 months**.

This amount is calculated by:

- First calculating the total number of people who, extrapolated from the 18+ population, have become a victim in the past 12 months. This is the number of cases divided by the average number of UCPs to which victims have responded (based on the screening), i.e. 4,992,000 cases divided by an average of 1.87 UCPs per victim = 2,669,519 persons who have become a victim in the past 12 months.
- Then the estimated number of persons who have become victims during the past 12 months is divided by the total amount of loss (corrected for the victim incidence), i.e. € 578,572,795 divided by 2,669,519 victims = € 217.

N.B. Some caution is needed when estimating the average loss per case, the average loss per member of the population and the average loss per victim, because:

- In calculating the total loss, an estimate was made of the incidence of the UCP 'bus tours'. There was in fact no incident known for the UCP 'bus tours' since only with the phase 4 study was this phase split off from the UCP 'misleading and aggressive doorstep selling and during sales demonstrations'. For the sake of clarity, for 'bus tours' we have taken the incidence from this earlier combined UCP.
- The UCP 'misleading and aggressive telephone selling' was included in a second screening, so that there is a time interval between the moment at which the incidence was measured for the first nine UCPs and the UCP 'misleading and aggressive telephone selling'. Possibly the incidence of misleading and aggressive telephone selling would have been slightly lower or higher if this had been measured at the same time as the other UCPs.
- The average number of UCPs which victims fall for (1.87) is based on the first nine UCPs from the first screening. For methodological reasons, the UCP 'misleading and aggressive telephone selling' could not be included in this (different measurement moment, not exactly the same group of respondents). This probably means that the average number of UCPs would be slightly higher, if the incidence of misleading and aggressive telephone selling could indeed be included. This would not constitute any major changes, but would mean, for example, that the average amount of loss per victim could possibly be slightly higher.

3.7 Non-financial impact of unfair commercial practices: influence on attitudes and behaviour

Besides the impact (loss) to society in a financial sense, UCPs also have a non-financial impact. UCPs in fact influence the attitudes and behaviour of consumers (and that can ultimately lead once again to financial impact, such as when people change their buying behaviour).

The qualitative study showed that most respondents who had experience of one or more UCPs felt that such an experience has affected their attitude and behaviour:

- They have become more alert, less trusting, more sceptical or even 'hopeless'.
- They are less inclined to give out their details, or simply do not do so at all to unknown companies.
- Some people may still consider an offer, but respond less impulsively and consider it more carefully (by taking longer to think about it and finding out more).
- Others simply do not consider an offer at all (any more) and stop it as early as possible. They say no to misleading and aggressive telephone selling and doorstep salespersons more readily, throw away certain items of post without opening them, have a '*Nee/Nee*' sticker (a '*no junk mail*' sticker) on their letterbox and/or avoid being approached through the Internet and email by protecting their computer from SPAM and pop-ups.

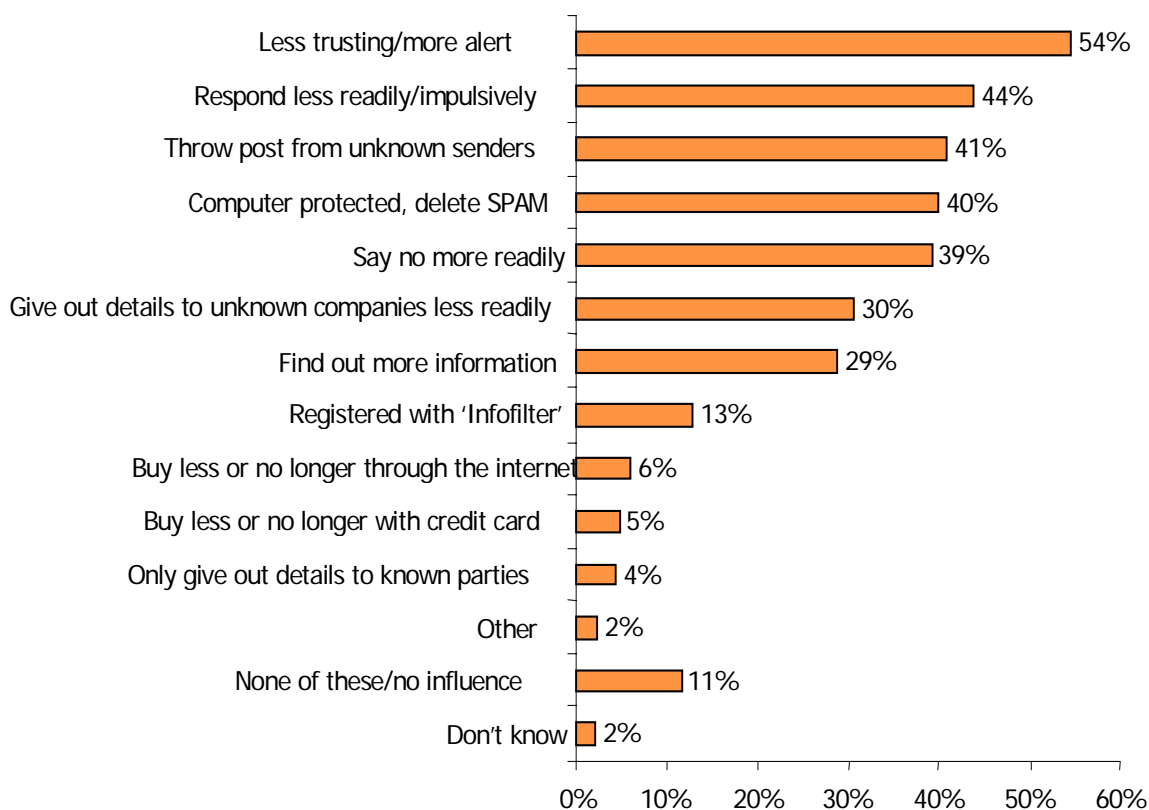
Figure 4 on the next page gives a summary of the influence that the experiences of respondents have on their attitudes and behaviour. This figure shows the results for all persons interviewed together.⁵

As we can see from Figure 4, the results of the quantitative phase 4 confirm this picture. According to the vast majority of both the targets and victims interviewed, experiences with UCPs have an influence on their attitudes and behaviour. They mention on average 3.2 ways in which their experiences with UCPs have influenced their attitude and/or behaviour. Roughly one in ten (11%) of the victims and targets say that their experiences have not influenced them in any way.

The changes that are mentioned most often are to do with a decline in trust and changed behaviour as a result. More than five in ten of those interviewed (54%) stated that they had become more suspicious/more alert.

⁵ A division into targets versus victims was not possible because all 2,000 persons interviewed had been a victim of at least one of the 11 UCPs presented to them.

Figure 4. Impact of unfair commercial practices on attitudes and behaviour of targets and victims (basis: n= total of 2,006 respondents, 6424 total number of answers, phase 4 study)



A large number of the targets and victims also said that because of their experiences with UCPs they have changed the way they deal with approaches from companies.

This is expressed in various ways in their behaviour, namely: responding less readily and/or impulsively (44%), throwing away post from unknown sources (41%), protecting their computer properly and deleting SPAM straight away (40%), being more inclined to say no (39%), giving out their details less readily to unknown companies (30%) and gathering more information before deciding whether or not to take up an offer (29%).

Roughly one in ten targets and victims (13%) goes one step further and has signed up to *Stichting Infofilter*, an organisation that at the request of the consumer blocks their address details free of charge against unwanted post, telephone calls and telephone market surveys. Four per cent say that they only give out their details to parties known to them.

In addition, a small number of the targets and victims have changed their buying and/or paying behaviour: they no longer buy anything, or buy less often, over the Internet (6%) and/or no longer pay, or pay less often, with their credit card (5%).

3.8 Socio-demographic characteristics of targets and victims of unfair commercial practices

3.8.1 Overall socio-demographic profile of targets and victims

For enforcement and prevention in respect of unfair commercial practices it is important to be able to estimate which target groups are most likely to be targets or victims of them. Table 17 shows that no specific groups become targets: the profile for the targets is identical to that of the Netherlands as a whole. *So anyone can be a target.*

If we look at the groups that become *victims*, we do indeed see a number of differences, but these differences are fairly limited. *Anyone can become a victim of the unfair commercial practices, but certain groups are slightly more often likely to become a victim.*

The general impression that victims of unfair commercial practices are in particular the elderly, is not correct: the victims are found across all age groups. What is striking, however, is that women are more often a victim than men and that – as was expected – people without work, less well educated people, people on lower incomes and those living in rented housing are relatively more often a victim than people in salaried employment, more highly educated individuals, those on higher incomes and homeowners. These are all variables that are related to each other and give an impression of the socio-economic circumstances of people, in short: people with a lower socio-economic position (in a broad sense) are slightly more vulnerable to becoming a victim of UCPs than those with a higher socio-economic position.

Table 17. Profile of targets and victims of UCP (basis N=71,600, weighted, from screening)
Differences of 4% or more are shown in bold type.

The Netherlands total			Target		Not target		Victim		Not victim		
N =	71,600		48,097		23,503		11,310		6,290		
Gender											
Male	35,228	49%	23,259	48%	11,696	51%	4,547	40%	30,681	51%	
Female	36,372	51%	24,838	52%	11,534	49%	6,763	60%	29,609	49%	
Age											
18-34 years	19,632	27%	13,191	27%	6,441	27%	2,995	26%	16,637	28%	
35-49 years	21,775	30%	15,534	32%	6,241	27%	3,448	30%	18,327	30%	
50-64 years	23,833	33%	15,754	33%	8,079	34%	3,926	35%	19,907	33%	
65+ years	6,360	9%	3,619	8%	2,741	12%	941	8%	5,419	9%	
Household composition (1)											
Single person household	14,240	20%	9,356	19%	4,884	21%	2,312	20%	11,928	20%	
Multi-person household	57,361	80%	38,743	81%	18,618	79%	9,000	80%	48,361	80%	
Household composition (2)											
Household with children	10,535	15%	7,860	16%	2,675	11%	2,155	19%	8,380	14%	
Household without children	61,065	85%	40,238	84%	20,827	89%	9,155	81%	51,910	86%	
Level of education											
Low	15,165	21%	9,364	19%	5,801	25%	2,613	23%	12,552	21%	
Medium	35,295	49%	23,976	50%	11,319	48%	5,811	51%	29,484	49%	
High	21,140	30%	14,758	31%	6,382	27%	2,886	26%	18,254	30%	
Socio-economic status											
Low	21,073	29%	13,547	28%	7,526	32%	3,822	34%	17,251	29%	
Medium	15,408	22%	10,334	21%	5,074	22%	2,462	22%	12,946	21%	
High	35,119	49%	24,216	50%	10,903	46%	5,026	44%	30,093	50%	
Work activity											
Independent entrepreneur	3,741	5%	2,771	6%	970	4%	646	6%	3,095	5%	
In salaried employment	40,419	56%	27,487	57%	12,932	55%	5,913	52%	34,506	57%	
Not working	6,447	9%	4,659	10%	1,788	8%	1,478	13%	4,969	8%	
Retired	9,463	13%	5,602	12%	3,861	16%	1,359	12%	8,104	13%	
Student	4,969	7%	3,191	7%	1,778	8%	714	6%	4,255	7%	
Other	6,240	9%	4,254	9%	1,986	8%	1,164	10%	5,076	8%	

Table 17. Profiles of targets and victims of UCP (basis N=71,600, weighted, from screening) (cont.)
Differences of 4% or more are shown in bold type.

	The Netherlands		Target		Not Target		Victim		Not Victim	
	N =	total	48,097	23,503	11,310	6,290				
Home ownership										
Homeowner	45,884	64%	30,719	64%	15,165	65%	6,762	60%	39,122	65%
Rented house	24,727	35%	16,821	35%	7,906	34%	4,424	39%	20,303	34%
Not stated	767	1%	410	1%	357	2%	89	1%	678	1%
Income										
Below average	3,867	5%	2,702	6%	1,165	5%	780	7%	3,087	5%
Almost average	7,992	11%	5,444	11%	2,548	11%	1,635	14%	6,357	11%
Average	7,008	10%	4,815	10%	2,193	9%	1,298	11%	5,710	9%
1-2 times average	11,792	16%	8,079	17%	3,713	16%	1,969	17%	9,823	16%
2 times average	15,617	22%	10,765	22%	4,852	21%	2,259	20%	13,358	22%
More than 2 times average	8,351	12%	5,776	12%	2,575	11%	1,051	9%	7,300	12%
Unknown	16,944	24%	10,492	22%	6,452	27%	2,314	20%	14,630	24%
Region										
North	7,521	11%	5,117	11%	2,404	10%	1,263	11%	6,258	10%
East	14,894	21%	10,112	21%	4,782	20%	2,487	22%	12,407	21%
South	17,324	24%	11,638	24%	5,686	24%	7,704	24%	14,620	24%
Large cities	7,698	11%	5,008	11%	2,610	11%	1,154	10%	6,544	11%
Suburbs	3,331	5%	2,162	4%	1,169	5%	480	4%	2,851	5%
Remaining West	20,833	29%	13,982	29%	6,851	29%	3,223	28%	17,610	29%

N.B. The regional division is the Nielsen-6 region division for the Netherlands.

3.8.2 Victim and target profiles compared between UCPs

3.8.2.1 Gender and age

Table 18 shows that when considered in general, women and men are equally often a target of UCPs. Women are generally more often victims than men.

Women are more often targets and victims particularly with misleading health claims, misleading and aggressive doorstep selling and misleading and aggressive selling during bus tours. Women are also more often victims of misuse of expensive telephone numbers and misleading and aggressive telephone selling than men, although they are just as frequently the target.

Men, however, are more often the target of misleading prize draws, pyramid constructions and unsolicited deliveries. For these UCPs, however, they are not a victim more often than women. It is striking that men are more often victims of misleading lotteries, even though they are not a more frequent target than women.

The age profile shows that there is little difference in age for most unfair commercial practices. The exception is the UCP of misleading and aggressive telephone selling, where young people and those over the age of 65 years are approached less often.

There is also little difference in age among victims of most unfair commercial practices. The elderly are relatively more often victims of misleading lotteries and prize draws, while young adults are more often victims of pyramid constructions and the middle age group of misleading telephone selling.

Table 18. Gender and age of targets and victims, divided according to UCP (basis: screening, n = 48,097 targets and 11,130 victims)

	Total	Men	Women	18-34 years	35-49 years	50-64 years	65+ years
Target							
Total	48,097	48%	52%	27%	32%	33%	8%
Misleading lotteries	23,325	51%	50%	22%	34%	36%	8%
Misleading prize draws	25,424	55%	45%	31%	33%	30%	7%
Misuse of expensive telephone numbers	11,820	49%	51%	28%	34%	31%	6%
Pyramid constructions	6,561	53%	47%	30%	33%	30%	7%
Misleading holiday clubs	5,489	49%	51%	30%	29%	34%	8%
Misleading or aggressive doorstep selling	12,823	45%	55%	30%	32%	30%	7%
Unsolicited deliveries	9,268	52%	48%	28%	30%	33%	9%
So-called 'free' products	28,725	46%	54%	29%	32%	32%	7%
Misleading health claims	19,786	42%	58%	29%	32%	32%	7%
Misleading or aggressive telephone selling	18,781	46%	54%	29%	32%	32%	9%
Victim							
Total	11,310	40%	60%	26%	30%	35%	8%
Misleading lotteries	1,373	54%	46%	29%	25%	34%	12%
Misleading prize draws	3,109	49%	51%	20%	27%	41%	11%
Misuse of expensive telephone numbers	2,532	40%	60%	30%	33%	30%	6%
Pyramid constructions	878	49%	51%	37%	27%	29%	7%
Misleading holiday clubs	911	49%	51%	35%	25%	32%	8%
Misleading or aggressive doorstep selling	1,912	38%	62%	35%	28%	28%	9%
Unsolicited deliveries	1,319	51%	49%	33%	26%	32%	10%
So-called 'free' products	5,153	44%	56%	27%	31%	34%	8%
Misleading health claims	3,995	30%	70%	29%	30%	35%	7%
Misleading or aggressive telephone selling	4,941	39%	61%	29%	35%	29%	6%

3.8.2.2 Education

Table 19 shows the highest level of education achieved by targets and victims, divided between all UCPs. In general the differences are limited.

What is particularly striking is that with some UCPs, less well educated persons are more often victims and well-educated persons less often. This can be seen in misleading prize draws,

where the more highly educated are more often targets, whereas the less well educated are in fact more often the victim of this UCP.

With the misuse of expensive telephone numbers too, it is noticeable that the less well educated are often victims. Well-educated persons are noticeably less often victims of this UCP compared to other UCPs. In addition, the UCP of misleading and aggressive telephone selling is particularly notable: a relatively large number of less well educated persons are both the target and victim of this UCP.

Table 19. Education of targets and victims divided between UCP (basis: screening, n = 48,097 targets and 11,130 victims)

	Total	Highest level of education achieved		
		Low	Medium	High
Target				
Total	48,097	19%	50%	31%
Misleading lotteries	23,325	21%	51%	29%
Misleading prize draws	25,424	17%	49%	34%
Misuse of expensive telephone numbers	11,820	24%	52%	24%
Pyramid constructions	6,561	21%	52%	27%
Misleading holiday clubs	5,489	24%	51%	25%
Misleading or aggressive doorstep selling	12,823	23%	51%	26%
Unsolicited deliveries	9,268	20%	50%	29%
So-called 'free' products	28,725	20%	51%	28%
Misleading health claims	19,786	19%	49%	21%
Misleading or aggressive telephone selling	18,781	36%	40%	22%
Victim				
Total	11,130	23%	51%	26%
Misleading lotteries	1,373	27%	50%	24%
Misleading prize draws	3,109	28%	52%	21%
Misuse of expensive telephone numbers	2,532	28%	54%	18%
Pyramid constructions	878	24%	54%	23%
Misleading holiday clubs	911	26%	50%	24%
Misleading or aggressive doorstep selling	1,912	27%	49%	24%
Unsolicited deliveries	1,319	26%	50%	24%
So-called 'free' products	5,153	24%	51%	24%
Misleading health claims	3,995	24%	51%	25%
Misleading or aggressive telephone selling	4,941	35%	42%	21%

3.8.2.3 Income

The random sample also looked at the income of all people in relation to all UCPs. Table 20 shows this. For income, we can see that the groups with a below-average and almost-average income are clearly more often the target and victim of all UCPs. However, there is not a UCP where they are more or less often a target or victim than the other UCPs. What is noticeable, however, is that those with an income of more than twice the average, are less often the target of misuse of expensive telephone numbers. They are in fact slightly more often the victim of misleading holiday clubs.

Table 20. Income of targets and victims divided between UCP (basis: screening,, n = 48,097 targets and 11,130 victims)

		Income						
		Below average	Almost average	Average	1-2 times average	2 times average	More than 2 times average	Un-known
Target								
Total	48,097	6%	11%	10%	17%	22%	12%	22%
Misleading lotteries	23,325	5%	12%	10%	17%	23%	12%	20%
Misleading prize draws	25,424	6%	11%	10%	16%	23%	13%	21%
Misuse of expensive telephone numbers	11,820	7%	13%	11%	17%	20%	9%	22%
Pyramid constructions	6,651	7%	12%	11%	17%	21%	10%	22%
Misleading holiday clubs	5,489	6%	12%	11%	18%	21%	11%	22%
Misleading or aggressive doorstep selling	12,823	6%	13%	11%	17%	21%	10%	23%
Unsolicited deliveries	9,268	6%	12%	11%	16%	22%	11%	21%
So-called 'free' products	28,725	6%	12%	10%	17%	21%	10%	22%
Misleading health claims	19,786	6%	11%	10%	16%	22%	12%	22%
Misleading or aggressive telephone selling	18,781	6%	12%	10%	17%	22%	11%	21%
Victim								
Total	11,130	7%	14%	11%	17%	20%	9%	20%
Misleading lotteries	1,373	9%	17%	13%	16%	18%	8%	19%
Misleading prize draws	3,109	7%	17%	13%	17%	19%	8%	18%
Misuse of expensive telephone numbers	2,532	8%	17%	12%	18%	19%	6%	21%
Pyramid constructions	878	8%	14%	11%	21%	18%	8%	21%
Misleading holiday clubs	911	7%	13%	12%	17%	20%	11%	20%
Misleading or aggressive doorstep selling	1,912	8%	16%	12%	16%	18%	7%	22%
Unsolicited deliveries	1,319	8%	17%	13%	16%	18%	7%	21%
So-called 'free' products	5,153	8%	16%	12%	17%	19%	9%	19%
Misleading health claims	3,995	7%	14%	11%	17%	19%	10%	21%
Misleading or aggressive telephone selling	4,941	7%	13%	11%	18%	21%	10%	19%

We see the same pattern as with income and education. Those with a lower level of education and from the lower income categories are often victims of UCPs, and this is a pattern also seen in relation to socio-economic class. More specifically, those people from the lowest socio-economic class are noticeably more often the target of misleading lotteries. They are often the victim of these too, although not notably so compared to other UCPs. They are however very often the victim of the misuse of expensive telephone numbers. Those from a high socio-economic class, on the other hand, are relatively infrequently a victim of this UCP.

3.8.3 Socio-demographic profile of chronic victims

Victims are on average the victim of 1.9 different UCPs. We see in Table 21 that by far the most people are victims of 1, 2 or 3 UCPs. The number of people who become a victim of more UCPs would appear to be relatively limited.

The higher number of victims of nine or more UCPs, i.e. victims of all UCPs that were studied in the screening, is striking. It may be that some people exaggerate somewhat, and if they have often been a victim of UCPs they are more inclined to say they were also a victim of other UCPs. It is also possible that there is a group of people who really do become a victim of all the UCPs with which they come into contact.

Table 21. Number of victims divided up according to the number of unfair commercial practices to which they have fallen victim (basis N=71,600, weighted, from screening)

	Number	Percentage
N =	71,600	
Not a victim of UCP	60,288	84.2%
Victim of UCP once	6,798	9.5%
Victim of UCP twice	2,417	3.4%
Victim of UCP three times	975	1.4%
Victim of UCP four times	436	0.6%
Victim of UCP five times	182	0.3%
Victim of UCP six times	96	0.1%
Victim of UCP seven times	91	0.1%
Victim of UCP eight times	88	0.1%
Victim of UCP nine times	229	0.3%

Average number of UCPs to which people fall victim

1.9

In order to obtain a greater understanding of the characteristics of potentially ‘vulnerable groups’ it is useful to consider in greater detail the characteristics of ‘chronic victims’. Bearing in mind the way the victim population is divided up, where most people have been victims of 1 to 3 UCPs, we regard those who have been victims of 4 or more UCPs as chronic victims.

We also drew up a profile of those people who have not become a victim and anyone who has become a victim of one, two or three UCPs. These are shown alongside each other in Table 22. Differences of particular interest (more than 4%) are shown in bold type.

Table 22 shows that women are victims of 1 to 3 UCPs much more often than men. This difference is no longer apparent among chronic victims, where we see that men and women are victims equally often. If we compare the profile of victims of 1 to 3 UCPs with the profile of victims of 4 or more UCPs (the chronic victims), the first thing that strikes us is that the 18 to 34-year age group is more strongly represented among chronic victims. We also see that chronic victims are often less well educated, have a low socio-economic status, live in rented accommodation, live in a single-person household and often have no work and are less often in salaried employment. In line with this, it is noticeable that those with a below-average income or almost average income are strongly represented in the group of chronic victims compared to the other groups. The higher income groups, on the other hand, are less often represented.

The differences that emerge from the comparison between chronic victims, 'ordinary victims', 'non-victims' and the Dutch population were also already visible in the victim group as a whole compared to the profile of targets and the profile of the Dutch population (see Table 8). But these differences become more noticeable if we divide up this group of victims according to the number of UCPs to which people fall victim. Then we see that the group of chronic victims is considerably more vulnerable as regards age, education, socio-economic class, working activity and, in particular, income. This is interesting in combination with the financial loss. It may be that the group which in terms of income is the most vulnerable, suffers the greatest financial loss through UCPs.

Incidentally, no differences can be seen between the regions: chronic victims are evenly distributed throughout the country, i.e. there is not one specific region where people are more likely to become a victim or chronic victim of a UCP.

Table 22. Profiles of non-victims and (chronic) victims (basis N=71,600, weighted, from screening)
Differences of 4% or more are shown in bold type.

	The Netherlands	Not a victim of UCP	Victim of 1-3 UCPs	Victim of 4 or more UCPs
N =	71,600	60,288	10,190	1,122
Gender				
Male	49%	51%	39%	48%
Female	51%	49%	61%	52%
Age				
18-34 years	27%	28%	26%	31%
35-49 years	30%	30%	31%	27%
50-64 years	33%	33%	35%	32%
65+ years	9%	9%	8%	10%
Household composition				
One person household	20%	20%	27%	24%
Multi-person household	80%	80%	73%	76%
Level of education				
Low	21%	21%	22%	31%
Medium	49%	49%	51%	50%
High	30%	30%	26%	19%
Socio-economic status				
Low	29%	29%	33%	40%
Medium	22%	21%	22%	23%
High	49%	50%	45%	37%
Work activity				
Self-employed person	5%	5%	6%	6%
In salaried employment	56%	57%	52%	50%
Not working	9%	8%	13%	15%
Retired	13%	13%	12%	12%
Student	7%	7%	6%	6%
Other	9%	8%	10%	10%

Table 22. Profiles of non-victims and (chronic) victims (basis N=71,600, weighted, from screening) (cont.) Differences of 4% or more are shown in bold type.

	The Netherlands	No victim of UCP	Victim of 1-3 UCPs	Victim of 4 or more UCPs
N =	71,600	60,288	10,190	1,122
Home ownership				
Homeowner	64%	65%	61%	52%
Rented home	35%	34%	38%	47%
Not stated	1%	1%	1%	1%
Income				
Below average	5%	5%	7%	9%
Almost average	11%	11%	14%	17%
Average	10%	9%	11%	12%
1-2 times average	16%	16%	17%	18%
2 times average	22%	22%	20%	17%
More than 2 times average	12%	12%	10%	7%
Unknown	24%	24%	21%	20%
Region				
North	11%	10%	11%	12%
East	21%	21%	22%	23%
South	24%	24%	24%	22%
Large cities	11%	11%	10%	11%
Suburbs	5%	5%	4%	4%
Remaining West	29%	29%	29%	28%

3.9 Perception of the experience(s) of unfair commercial practices

Overall picture

Both targets and victims assess their experiences of unfair commercial practices overwhelmingly as negative/unpleasant. For example, the average assessment by both targets and victims of their experiences with UCPs is 2.0, or unpleasant on a five-point scale from very unpleasant (1) to very pleasant (5).

If we look at the proportion of assessments on the (un)pleasant scale in percentage terms, as shown in Table 23, we see that about two-thirds of the targets (66%) and victims (68%) assess their experience as very unpleasant to unpleasant. Slightly more than a quarter assess their experiences as neutral. A very small number of people assess their experience as positive (targets: 1% pleasant; victims: 4% pleasant, 1% very pleasant).

Differences between UCPs

If we look at the assessments of the UCPs separately, a few differences can be seen in the assessment of the experiences of them by targets and victims.

With misuse of expensive telephone numbers and misleading health claims, significantly more victims than targets say that they found their experience of them unpleasant or very unpleasant. For example, 70% of the targets compared to 90% of the victims found the misuse of expensive telephone numbers to be unpleasant or very unpleasant, and 43% of the targets compared to 61% of the victims found misleading health claims to be unpleasant or very unpleasant.

The reverse can also be seen, where victims are less inclined to assess an experience as negative compared to targets, particularly with misleading and aggressive telephone selling and misleading and aggressive doorstep selling. With misleading and aggressive telephone selling, 79% of the targets compared to 64% of the victims assessed the experience as unpleasant or very unpleasant. With misleading and aggressive doorstep selling, 72% of the targets compared to 61% of the victims assessed the experience as unpleasant or very unpleasant. It may be that victims assess their experience with this UCP in retrospect as less unpleasant than the targets do, in order not to make the experience worse for themselves afterwards (because, for example, they are ashamed that they gave in to these selling practices).

If we look at the UCPs that targets and victims have experienced relatively the least as unpleasant or very unpleasant, we see that:

- Targets of misleading health claims (43% (very) unpleasant) regard them the least as unpleasant, followed some way behind by the so-called free products (57% (very) unpleasant) and misleading and aggressive selling during bus tours (58% (very) unpleasant). Instead, they state that they regard the experience of these UCP more often as 'neutral' or don't know.

On the other hand, targets of misleading and aggressive telephone selling and misleading lotteries report these relatively most often as unpleasant or very unpleasant (misleading and aggressive telephone selling: 79%; misleading lotteries: 77%)

- Victims of so-called free products (50% (very) unpleasant) have experienced these least often as unpleasant. The UCP they experience as unpleasant or very unpleasant the most often is misuse of expensive telephone numbers (90%), followed at some distance by unsolicited deliveries (79%) and misleading lotteries (78%).

Table 23. Perception of the experience(s) of unfair commercial practices (basis: phase 4 of the study, 2,006 respondents, 8,813 answers from targets and 1,795 answers from victims)

		Total Misleading lotteries	Misleading prize draws	Misuse of expensive tel. numbers	Pyramid construct-ions	Misleading holiday clubs	Misleading or aggress- ive doorstep selling	Misleading or aggress- ive selling during bus tours	Unsolicited deliveries	So-called 'free' products	Misleading health claims	Misleading or aggress- ive telephone selling
	N = 8,813	859	1,168	745	569	625	687	508	544	1,130	912	976
	Average experience=2,0	1.9	2.0	1.8	1.9	2.1	2.0	2.1	1.9	2.3	2.4	1.9
Targets												
	N= 7,018	737	860	460	524	483	551	450	444	871	688	860
Very unpleasant	28%	36%	30%	28%	36%	29%	31%	26%	38%	19%	12%	37%
Unpleasant	38%	41%	41%	42%	38%	38%	41%	32%	36%	38%	31%	42%
Neutral	29%	21%	27%	26%	23%	28%	25%	35%	21%	38%	52%	18%
Pleasant	1%	0%	0%	1%	1%	1%	1%	1%	1%	1%	1%	0%
Very pleasant	0%	1%	0%	1%	0%	0%	1%	0%	0%	0%	0%	0%
Don't know	3%	1%	1%	2%	2%	3%	1%	6%	3%	3%	5%	2%
	Average experience= 2,0	1.9	2.0	2.0	1.9	2.0	2.0	2.1	1.9	2.2	2.4	1.8
Victims												
	N= 1,795	122	308	285	45	142	136	58	100	259	224	116
Very unpleasant	33%	39%	28%	58%	42%	27%	31%	26%	43%	20%	22%	35%
Unpleasant	35%	39%	42%	32%	27%	39%	30%	34%	36%	30%	39%	29%
Neutral	26%	17%	26%	9%	24%	28%	29%	24%	18%	36%	36%	30%
Pleasant	4%	1%	1%	0%	4%	4%	7%	9%	1%	11%	1%	4%
Very pleasant	1%	2%	2%	0%	2%	2%	2%	2%	2%	2%	0%	1%
Don't know	1%	2%	1%	0%	0%	0%	1%	5%	0%	1%	1%	0%
	Average experience=2.0	1.8	2.1	1.5	2.0	2.1	2.2	2.2	1.8	2.4	2.2	2.1

3.10 Reactions of targets and victims to their experience(s) of unfair commercial practices

Overall picture

Although targets and victims usually find their experiences with UCPs to be unpleasant, most of them do not take any action following their experiences. This emerges from both the qualitative and quantitative study.

Table 24 shows for each UCP and all UCPs combined an overview of the reactions of targets, victims and both groups together to the question 'What did you do following this experience on the most recent occasion?' This question was put to targets and victims of the UCP for each block per UCP. As shown in Table 21, a total of almost nine in ten targets (87%) and more than five in ten victims (54%) gave the answer to this question as 'I decided not to take up the offer' (targets: 39%; victims: 17%⁶) or 'I didn't do anything' (targets: 48%; victims: 37%).

We therefore see here a clear difference between targets and victims: victims tended more often than targets to have actually taken some kind of action following their experiences, probably because the experiences affect the consumer more as a victim than as a target.

If targets and victims do take action, they focus above all on the provider of the UCP by: complaining to the provider (targets: 2%, victims: 14%), asking the provider to stop making further deliveries to them (targets: 3%, victims: 9%), stopping payment or refusing to pay (targets: 3%, victims: 6%) and/or asking the provider for one's money back (victims: 5%).

In addition, a small number of the targets and victims stated that they had looked for information about the provider on the Internet (targets: 3%; victims: 7%) and/or sought information about the provider from friends, family or acquaintances (targets: 1%, victims: 2%).

Some targets and victims reported their experiences to a consumer magazine show on TV (targets: 2%, victims: 7%). A small number of the targets and victims complained to their friends, family or acquaintances (targets: 1%, victims: 2%).

Particularly striking is that targets and victims hardly ever contact an official body or organisation such as the police, Consumer Ombudsman Foundation, ConsuWijzer or the Consumers Association [Consumentenbond]. For example, virtually none of the targets or

⁶ Particularly noticeable is that 17% of the victims state they decided not to respond to the offer. Looking at the definition of being a victim, this would seem to be rather strange because inherent to this definition is that a person is a victim when he or she responds to a UCP. A possible explanation for the fact that some victims answered that as a reaction to their experience of a UCP they did not respond to the offer, is that according to the definition of being a victim as used in this study they were indeed considered as victims, whereas they themselves do not regard themselves as victims and believe that they did not respond to a UCP. Another explanation is that they have interpreted this question as 'I did not take it up *again / any further*'.

victims made an official report and a minimal number of victims reported their experience to an official body (1%) or sought legal assistance (1%) (none of the targets did this). This picture also emerged from the qualitative study, where it also turned out that targets and victims do not report their experiences to an official body because they have no idea where to go, because they believe more or less that it is their own fault, believe that the experience is not particularly noteworthy or because it is too much trouble on their part.

Influence of the perception of the experience on the response to the experience

Table 24 compares the perception of the experience and the reaction to the experience with each other. As the table shows, most people do nothing as their reaction to the experience, and this is also the case among the group of people who found the experience unpleasant or very unpleasant. What is clear, however, is that those who found the experience to be very unpleasant did something about it most often, particularly complaining to the provider. But they did not approach an official body conspicuously more often. Also notable is that those who perceived their experience as pleasant or very pleasant also state they complained about their experience or sought legal assistance. Possibly there were in retrospect elements in their experience which prompted them to do so, or they did not understand the question properly.

Table 24. Cross-table of the perception of the experience and reaction to the experience (basis: 2,006 respondents, 9,661 answers, study phase 4)

Total	Total	How did you feel about this experience					
		Very unpleasant	Unpleasant	Neutral	Pleasant	Very pleasant	Don't know
	N= 9,661	3,246	3,568	2,542	108	70	127
What have you done following this experience?							
Do nothing/Ignore offer	72%	59%	76%	85%	69%	71%	65%
Stop subsequent deliveries	4%	4%	4%	4%	6%	0%	2%
Complain to provider	4%	7%	3%	1%	1%	0%	0%
Find out information about provider	4%	5%	3%	2%	6%	3%	2%
Complain to family/friends	3%	5%	3%	1%	2%	4%	0%
Stop payments	3%	5%	3%	1%	2%	1%	1%
Quit the organisation	3%	1%	1%	1%	0%	0%	0%
Ask for information from family/friends	1%	2%	2%	0%	1%	0%	0%
Ask for money back	1%	2%	1%	1%	1%	3%	0%
Report to an official body	1%	2%	1%	0%	2%	1%	0%
Report to consumer programme (TV)	0%	1%	0%	0%	1%	1%	0%
Seek legal assistance	0%	1%	0%	0%	3%	3%	0%
Make an official report	0%	0%	0%	0%	1%	1%	1%
Other	3%	4%	2%	3%	6%	10%	6%
Don't know	1%	1%	0%	1%	1%	0%	24%

Differences between UCPs

If we look at the figures at UCP level, we can see differences in the extent to which targets, and in particular victims, take certain types of action following their experience with the UCP concerned. We will limit ourselves in this paragraph to noting various notable differences. For a detailed overview we refer you to H4, which shows the most important information for each UCP.

Looking at the reactions of the targets and victims with the separate UCPs, the following emerges:

- *'I quit the organisation'* can logically only be found with pyramid constructions and misleading holiday clubs, and therefore is the most frequently mentioned by victims of pyramid constructions (42%).
- *'I asked the provider to stop making any future deliveries to me'* was only presented in respect of prize draws, unsolicited deliveries, so-called free products and misleading health claims and is mentioned most often by victims of unsolicited deliveries (45%) and so-called free products (37%).
- Victims of unsolicited deliveries (23%) and misleading and aggressive telephone selling (22%) state relatively the most that they *complained to the provider*.
- Victims of misleading lotteries (19%) and misleading and aggressive doorstep selling (13%) state relatively the most that they *sought information about the provider*.
- *'Refusal to pay or stopping payment'* is something that victims of misleading and aggressive telephone selling have done the most often (15%), followed by victims of unsolicited deliveries (12%) and victims of misleading lotteries (11%).
- Victims of misleading or aggressive selling during bus tours (3%) and of misleading lotteries (2%) have *reported their experience to a consumer magazine show on TV* relatively the most often.
- *Complaining to family/friends* is what victims of misleading and aggressive selling during bus tours say they did most often as a reaction to their experience (14%).
- Victims of misleading and aggressive telephone selling and unsolicited deliveries *demand their money back* slightly more often (both: 9%), followed closely by victims of misleading health claims (8%), victims of misleading and aggressive doorstep selling (8%) and victims of misleading holiday clubs (7%).
- *Obtaining information from family and friends* is used relatively the most often by victims of misleading and aggressive selling during bus tours (7%), victims of misleading and aggressive telephone selling (4%) and victims of pyramid constructions (4%).
- Victims of pyramid constructions (7%), bus tours (7%) and misleading and aggressive telephone selling (5%) *contacted an official body* relatively the most often to report their experience.
- Victims of unsolicited deliveries say slightly more often (3%) that they sought *legal assistance*, followed by victims of pyramid constructions and of misleading lotteries (both 2%).

- Finally, we see that victims make an *official report* most often about bus tours and unsolicited deliveries (2%).

Complain to family/friends	3%	2%	7%	1%	1%	2%	0%	0%	0%	1%	0%	1%	1%	1%	0%	0%	0%	1%	0%	0%	1%
Ask for money back	1%	0%	5%	1%	0%	3%	1%	0%	3%	1%	0%	4%	0%	0%	4%	2%	0%	7%	2%	0%	8%
Ask for information from family/friends	1%	1%	2%	2%	2%	2%	1%	1%	35	2%	3%	1%	2%	2%	4%	2%	1%	3%	1%	1%	0%
Report to an official body	1%	0%	1%	3%	3%	3%	1%	1%	1%	1%	1%	1%	1%	1%	7%	1%	1%	1%	0%	0%	0%
Seek legal assistance	0%	0%	1%	1%	1%	2%	05	0%	1%	0%	0%	1%	1%	0%	2%	0%	0%	1%	0%	0%	1%
Make an official report	0%	0%	0%	1%	1%	1%	0%	0%	0%	1%	1%	0%	0%	0%	0%	0%	0%	0%	1%	1%	0%
Other	4%	3%	8%	7%	6%	12%	4%	3%	7%	3%	1%	7%	2%	1%	7%	3%	3%	4%	5%	3%	11%
Don't know	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total	110	108	120	115	114	12	112	109	118	109	105	116	111	109	131	111	106	128	108%	105	120
percentage =	%	%	%	%	%	4%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Average number of answers	1.1	1.1	1.2	1.2	1.1	1.2	1.1	1.1	1.2	1.1	1.1	1.2	1.1	1.1	1.3	1.1	1.1	1.3	1.1	1.0	1.2

Table 25. Possible action(s) taken following contact with UCP (basis: 2,006 respondents, 8,723 answers, study phase 4)(cont.)

Total				Misleading or aggressive selling during bus trips			Unsolicited deliveries			So-called 'free' products			Misleading health claims			Misleading or aggressive telephone selling		
	Total	Target	Victim	Total	Target	Victim	Total	Target	Victim	Total	Target	Victim	Total	Target	Victim	Total	Target	Victim
N=	8,723	6,928	1,795	508	450	58	544	444	100	1,130	871	259	912	688	224	976	860	116
Do nothing / Ignore offer	80%	87%	54%	85%	88%	59%	62%	69%	31%	77%	86%	46%	81%	89%	57%	84%	88%	49%
Quit the organisation	1%	0%	4%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Complain to provider	5%	2%	14%	3%	3%	7%	10%	8%	23%	4%	3%	5%	2%	1%	5%	6%	4%	22%
Stop subsequent deliveries	4%	3%	9%	-	-	-	19%	13%	45%	12%	5%	37%	6%	2%	18%	-	-	-
Find out information about provider	4%	3%	7%	3%	2%	7%	4%	4%	6%	1%	1%	1%	2%	2%	4%	5%	4%	10%
Stop payments	4%	3%	6%	0%	0%	0%	12%	12%	12%	4%	3%	9%	2%	2%	4%	2%	0%	15%
Report to consumer programme (TV)	3%	2%	7%	1%	0%	3%	1%	1%	1%	1%	1%	0%	0%	0%	0%	1%	1%	1%
Complain to family/friends	2%	1%	2%	6%	4%	14%	3%	2%	7%	2%	2%	2%	2%	2%	4%	2%	2%	5%
Ask for money back	1%	0%	5%	1%	0%	3%	4%	2%	9%	1%	1%	3%	2%	1%	8%	1%	0%	9%

Ask for information from family/friends	1%	1%	2%	2%	1%	7%	1%	1%	3%	1%	1%	0%	1%	1%	1%	2%	2%	4%
Report to an official body	1%	0%	1%	2%	1%	7%	4%	4%	1%	1%	1%	0%	0%	0%	0%	1%	1%	5%
Seek legal assistance	0%	0%	1%	0%	0%	0%	1%	1%	3%	0%	0%	0%	0%	0%	0%	0%	0%	1%
Make an official report	0%	0%	0%	0%	0%	2%	1%	0%	2%	0%	0%	0%	0%	0%	0%	0%	0%	1%
Other	4%	3%	8%	4%	3%	7%	4%	3%	8%	3%	1%	7%	2%	1%	7%	5%	3%	14%
Don't know	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total percentage =	110%	108%	120%	106%	104%	116%	126%	120%	151%	106%	105%	110%	102%	100%	110%	110%	106%	135%
Average number of answers	1.1	1.1	1.2	1.1	1.0	1.2	1.3	1.2	1.5	1.1	1.1	1.1	1.0	1.0	1.1	1.1	1.1	1.4

3.11 Comparison of findings with foreign surveys at an overall level

Unfair commercial practices are often an international, global problem. It is therefore not surprising that research is carried out in other countries too into the nature, extent and incidence of unfair commercial practices. Great Britain, Canada and the United States in particular are active in carrying out research in this area. The surveys by Great Britain, Canada and the United States served as input for setting up the Dutch survey.

In view of the unique situation in each country, naturally each country has differences in the survey setup and the UCPs studied in the survey. The UCPs focused on by the foreign surveys partly correspond to the UCPs studied in the Dutch survey. The main difference is that UCPs of a financial nature (such as misleading loans, credit cards, investments etc.) were not part of the Dutch survey but were indeed part of the foreign ones. It is therefore not very useful to make a one-to-one comparison between the results of these surveys. This does not alter the fact, however, that a general comparison of the main overall results may well be of interest.

In this paragraph we compare the results of the Dutch survey where possible with the results of the Canadian, British and American surveys⁷ on victim incidence, financial consequences, the profile of target and victim groups and the reaction of targets and victims to their experience(s) with UCPs.

Victim incidence

The percentage of respondents that have been a victim of a UCP at least once in the past 12 months was highest in the Netherlands (16%), followed by the United States (13.5%). Victim incidence is considerably lower in Great Britain (6.5%) and Canada (3.8%). These differences may reflect reality, but may also be the result of differences between the countries in the setup of the survey, the questions and the UCPs studied.

Financial impact

We estimate the total loss to the Dutch population aged 18 years and older as a result of the UCPs studied at 579 million euro every 12 months. Roughly 0.2 per cent of consumer expenditure in the Netherlands is linked to a purchase decision made under the influence of such unfair commercial practice. This is therefore a substantial amount of loss in the Netherlands.

In foreign surveys too, a substantial amount of loss is reported. In Great Britain, the highest estimated amount of loss is reported: £3.5 billion per annum. In Canada there is also a substantial amount of loss; 450 million dollars. The American survey does not give an estimate of the loss to its population.

⁷ More specifically it concerns the following surveys: Consumer Fraud in the United States: The Second FTC Survey (Federal Trade Commission Staff Report, October 2007); Research on the impact of mass marketed scams: A summary of research into the impact of scams on UK consumers (OFT, December 2006); 2007 Canadian Consumer Mass Marketing Fraud Survey (EnviroNics Research Group, February 2008).

The amount of loss reported in the British survey would seem to be remarkably high compared to the Dutch and Canadian survey. The explanation for this is largely self-evident: the number of adults living in Great Britain is considerably higher (49 million) than the number of adults living in Canada (26 million) and the Netherlands (13 million). But this does not entirely explain the higher amount of loss in Great Britain, because if we also take this into account when calculating the amount of loss for Canada and the Netherlands, these amounts should be smaller than in Great Britain. An additional explanation can be found in the average amount of loss per member of the population each year: in Great Britain this is higher (£70) than in the Netherlands (45 euro). No average amount of loss was stated in the Canadian survey, so we cannot draw any conclusions here for Canada.

Profile of victim groups

In order to establish a prevention and enforcement policy for UCPs, it is important to have an understanding of the characteristics of target and victim groups.

In the Netherlands, the profile for targets is identical to that of the Netherlands as a whole. This means that anyone can be a target. If we look at the groups which have become a victim we do see a number of differences, but these differences are relatively small. In general it emerges that women are more often victims than men, and that people with a lower socio-economic position (in a broad sense) are more vulnerable to becoming victims of UCPs than those with a higher socio-economic position. The general impression that victims of unfair commercial practices are largely the elderly is incorrect: the victims are found right across all ages. In short: in the Netherlands, anyone can become a victim of unfair commercial practices, but certain groups are slightly more vulnerable.

This picture of the profile of victims is largely comparable with the picture outlined in the foreign surveys. For example, it emerges from the British, American and Canadian surveys that the elderly are not victims more often than young people. In these countries, victims are in fact more often younger people (30-44 / 35-44). In the Netherlands, younger people are more strongly represented in the group of chronic victims.

In the United States and Canada, it is also apparent that those with financial worries and those who believe that they have higher debts than they can actually cope with are victims more often than those with fewer financial worries and debts. It is generally known that people with financial worries and debts often have a lower socio-economic position.

In this sense, these foreign findings appear to be in line with the findings from the Dutch survey that people with a lower socio-economic position are slightly more vulnerable to becoming a victim.

We also see, just as in the Netherlands, that victims in Canada are more often at home full-time and do not work. But in Great Britain, working people are in fact more likely to be victims than non-working people.

In addition, in the United States certain ethnic groups (Hispanics and African Americans) have a greater risk of being victims than white Americans. No information on this is available from the Dutch, British and Canadian surveys.

In short, the unifying thread running through all these surveys is, as so aptly described in the British survey: 'there's a scam for everyone'.

Reactions to the experiences with UCPs

The Dutch survey shows that targets and victims often find their experiences with UCPs unpleasant. Even so, the majority of the targets and victims take no action following their experience or experiences with UCPs. Those who do take action, focus above all on the provider of the UCP by complaining, stopping payments and asking for their money back. A small number find out more information about the party concerned or complain to family/friends/acquaintances about the provider. It is remarkable that targets and victims virtually never contact an official body or organisation such as the police, the Consumer Ombudsman Foundation, ConsuWijzer of de Consumers Association [Consumentenbond]. For example, virtually none of the targets or victims made an official report, and a minimal number of the victims reported their experience to an official body (1%) or sought legal assistance (1%) (none of the targets did this). The perception of the experience makes little difference here: even those who found the experience to be unpleasant or very unpleasant hardly approached an official body at all. We can see, however, that those who found the experience very unpleasant were those most likely to have taken action (mostly complaining to the provider).

The foreign surveys produce a similar picture: the vast majority of those who have had experiences with UCPs take no action and do not talk with anyone about their experience. If they do so, this is above all with friends, family and acquaintances. Just as in the Netherlands, only a very small minority report their experience to an official body. For example, the Canadian survey shows that only 2% in total of the victims reported their experience to the police. The British survey shows that fewer than 5% reported their experience to the authorities.

The main reasons that the respondents in the Canadian and British survey give for not reporting their experience are similar: people think that the experience is not worth reporting, it is not of sufficient interest to the authorities, they are ashamed to do so and/or they do not know whether the experience is legal or illegal.

4. Overview of the main results for each unfair commercial practice

4.1 Misleading lotteries

Description of UCP

Consumers receive, usually by email, post or telephone, a message in Dutch (probably originating from the Netherlands or Germany) or in English (probably 419 fraud: origin probably England, the Netherlands or West Africa) stating they have won a major prize in a lottery. The recipient is also told that in order to receive the prize, all he/she has to do is give his personal and/or bank details or pay an amount of money. This amount of money is often explained as being 'cheque costs', 'postage', 'administration costs' or 'tax charges' (if the lottery is a foreign one). In order to persuade the recipient to respond, he/she is told that he has been specially selected (e.g. by saying that he or she is 'today's winner'). A tactic also used is to create time pressure (e.g. by saying that the recipient must reply within 3 days or must activate his winning code), so that he will be more likely to believe that he really has been specially selected and will perhaps respond more on impulse. Once consumers have responded to this, they generally hear nothing more.

Extent of the problem

Familiarity, exposure and becoming a victim

- 57% of adult Dutch citizens are aware of the existence of this UCP. This puts this UCP in a middle position regarding familiarity with the UCPs studied.
- 33% of adults have been approached during the past year in connection with a misleading lottery. This puts this UCP third with regard to incidence of approaching the public.
- 1.9% of adults have become a victim during the past year of a misleading lottery, i.e. an estimated number of 249,000 adults each year. This UCP is therefore seventh with regard to victim incidence.

Financial impact

- Misleading lotteries cost Dutch society an estimated 7.9 million euro per annum.
- The average amount paid per victim who has paid an amount and disclosed this amount to the survey is almost 32 euro.

Target profile

Targets of this UCP have the following profile:

- Just as many men as women are targets.
- 22% of the targets are between 18 and 35 years old, 34% between 35 and 50 years, 36% between 50 and 64 years and 8% older than 65. Looking at the age distribution in the total group of targets, relatively few young adults are found with this UCP.

- 21% of the targets have a low level of education, 51% have a middle-level education and 31% a high level. The level of education for this UCP is the same as the general target profile for all UCPs.
- The profile of the targets of misleading lotteries also deviates from the general profile for all UCPs with regard to region, household composition, income and working activity.

Victim profile

The victims of misleading lotteries have the following profile:

- More men than women are victims of misleading lotteries (54% men; 46% women). This UCP has relatively the largest number of men compared to victims of all UCPs.
- The 35-49 year age group is relatively less often a victim than both the young adults and those older than 50 years.
- Single-person households and households without children are relatively more often a victim of this UCP than the other UCPs, compared to multi-person households and households with children.
- 27% of the victims have a low level of education, 50% at a middle level and 24% have a high level of education. This means that the victims of this UCP generally have a relatively low level of education.
- The group with a lower socio-economic status and the lower income groups are also over-represented among the victims of misleading lotteries.
- Relatively few victims are pensioners or not working and live in rented accommodation.

Method of approach

- Average number of approaches during the past 12 months:
 - Targets: 6.7
 - Victims: 9.6
- The most common methods of approach are:
 - Email (56%)
 - Post (24%)
 - Internet (10%)
 - Telephone (7%)

Reasons to respond or not to respond to the misleading lottery

The reasons given most often by targets for not responding to a misleading lottery are:

- I simply didn't trust it (60%)
- It was too good to be true (36%)
- I didn't ask for it (30%)
- I had heard of it before (30%)

The reasons given most often by victims for responding to the offer:

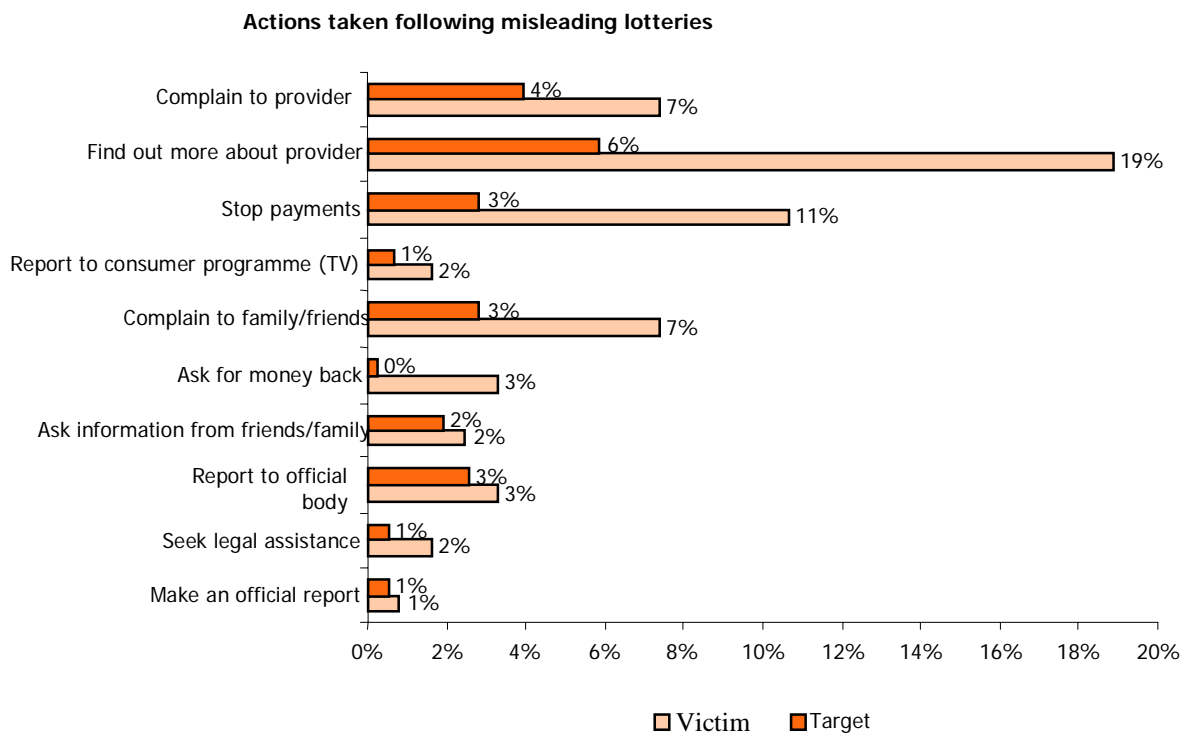
- I thought I had been specially selected (25%)
- The offer / provider appeared to be credible (20%)
- I simply went along with it (18%)
- I was pleased to have won something (16%)

Action taken following this UCP

Most targets ignored the offer to take part in the lottery: they did nothing and/or did not take up the offer (86%). Action that targets did take were:

- Seeking information about the provider (6%)
- Refusing or stopping payment (4%)
- Complaining to the provider (4%)

Figure 5. Action taken following misleading lotteries



Among the victims too, the main actions taken were seeking information (19%) and stopping payment (11%)

1% of the victims and the targets reported the UCP to the police, 3% reported it to an official body and 1% sought legal assistance.

Perception of experience

A total of 77% of the targets and 78% of the victims found this experience unpleasant to very unpleasant.

4.2 Misleading prize draws

Description of UCP

Consumers receive, usually by post or email, a message stating that they have almost certainly won a prize if they buy or order something from the company concerned. Such misleading prize draws appear at first sight sometimes to be a lottery and often come from suppliers of books and CDs or beauty products. However, people only receive a very small prize or no prize at all after making a purchase or placing an order. Furthermore, they sometimes unintentionally find themselves committed to a subscription with follow-up deliveries/products of the company concerned.

Extent of the problem

Familiarity, exposure and becoming a victim

- 67% of adult Dutch citizens are aware of the existence of this UCP. This puts this UCP in third place regarding familiarity with the UCPs studied.
- 36% of adults have been approached during the past year for a misleading prize draw. This puts this UCP second with regard to incidence of approaching the public.
- 4.3% of adults have become a victim during the past year of a misleading prize draw; i.e. an estimated number of 564,000 adults each year. This UCP is therefore fourth with regard to victim incidence.

Financial impact

- Prize draws cost Dutch society an estimated 19.5 million euro per annum.
- The average amount paid per victim who paid an amount and disclosed this amount to this survey is almost 35 euro.

Target profile

- 55% of the targets are men; 45% are women. This is therefore the UCP that targets men the most compared to all UCPs.
- With the misleading prize draws, the young adults (18-35) are relatively more often the target than the older groups compared to other UCPs.
- Highly-educated persons and the groups with a higher socio-economic status are also relatively more often the target than lower-educated people with a lower socio-economic status.
- Households without children are slightly more often the target of this UCP than of the other UCPs and of all the UCPs are the most often the target of this UCP.
- The percentages of single-person or multi-person households do not differ from the other UCPs. There are also no differences in income, region or home ownership.
- Of all UCPs, people in salaried employment and students are most often the target for this UCP.

Victim profile

- There are roughly as many men and women that are victims of misleading prize draws.
- Older people (older than 50 years) are relatively more often victims compared to the other age groups.
- Both people with a low level of education and those with the lowest socio-economic status are relatively more often a victim.
- There are relatively more victims among those who are not working or retired.
- There are no unusual differences with regard to income, region and home ownership.

Method of approach

- Average number of approaches during the past 12 months:
 - Targets: 6.3
 - Victims: 6.7
- The most common methods of approach are:
 - Post (49%)
 - Email (22%)
 - Telephone (12%)
 - Internet (11%)

Reasons for responding or not responding to prize draws

The reasons given most often by targets for not responding to a prize draw are:

- I simply didn't trust it (44%)
- I was not interested in the offer (30%)
- I thought it was too good to be true (28%)

The reasons given most often by victims for responding to the offer:

- I thought it was an attractive offer (27%)
- The offer / provider appeared to be credible (23%)
- It was free, or almost free (21%)

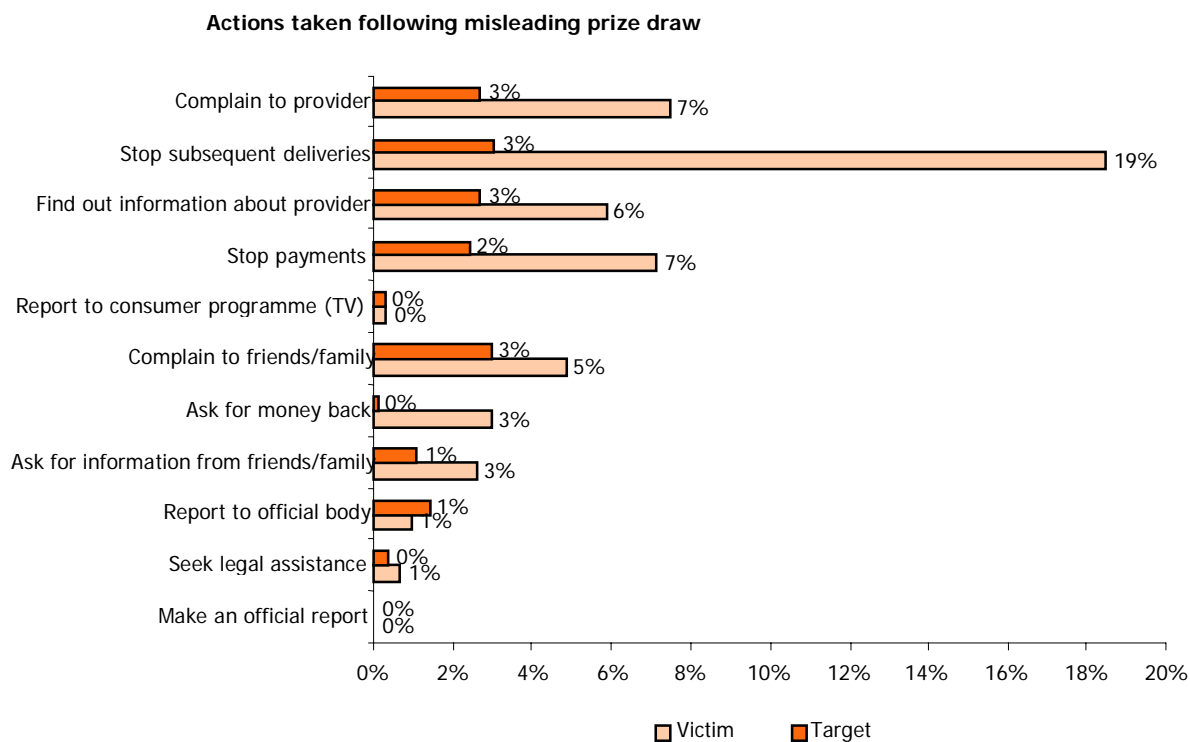
Action taken following this UCP

Most targets ignored the offer to take part in the prize draw: they did nothing and/or did not take up the offer (90%). Only very few targets took action.

The victims often stop future deliveries (19%) and payments (7%) and complain to the provider (7%).

No-one in the survey had reported the UCP to the police, 1% reported it to an official body and 1% sought legal assistance.

Figure 6. Action taken following prize draw



Perception of experience

A total of 71% of the targets and 70% of the victims found the experience unpleasant or very unpleasant.

Other relevant information

43% were promised an amount of money, 44% a product, the rest something else.

4.3 Misuse of expensive telephone numbers

Description of UCP

Through an advertisement on an auction website, an advertisement in a regional or local newspaper, by email or flyer on their car, people are approached for home working, modelling work, room rent or a test drive in an expensive car. These give a telephone number which people can call to obtain more information or to sign up for the offer. People phone the number without knowing that it is an expensive telephone number and are kept unnecessarily long on the phone through all kind of selection menus. But they never get to speak to anyone and/or eventually get to hear that there is no home working, modelling work, room or test drive in an expensive car available in their area. Service numbers, customer service numbers, helpdesk numbers and telephone numbers of phone-in games are not included in this.

Extent of the problem

Familiarity, exposure and becoming a victim

- 48% of adult Dutch citizens are aware of the existence of this UCP. This puts this UCP in sixth place.
- 17% of adults have been confronted with this UCP during the past year. This puts this UCP in sixth place regarding the incidence of approaching the public.
- 3.5% of adults have become a victim during the past year of a misuse of expensive telephone numbers, i.e. an estimated number of 460,000 adults each year. This UCP is therefore sixth with regard to victim incidence.

Financial impact

- Misuse of expensive telephone numbers costs Dutch society an estimate 7.2 million euro per annum.
- The average amount paid per victim who paid an amount and disclosed this amount to this survey is almost 16 euro.

Target profile

- This UCP is no different to the general profile for all UCPs with regard to gender, age, household composition, income and region.
- A relatively large number of people with a low level of education (24%) and people with the lowest socio-economic status (34%) are targets of this UCP.
- People too who do are not working and those living in rented accommodation are relatively more often a target of this UCP.

Victim profile

- Women in particular (60%) are often a victim of this UCP.

- This UCP does not differ from the general profile regarding age, household composition, home ownership and income.
- 28% of the victims have a low level of education and 39% are people with the lowest socio-economic status. These are exceptionally high percentages compared to other UCPs.
- A relatively large number of people who are not working become victims.
- People in the north and east of the country in particular often become a victim of this UCP.

Method of approach

- Average number of approaches during the past 12 months:
 - Targets: 3.7
 - Victims: 3.6
- The most common methods of approach are:
 - Internet (26%)
 - Email (23%)
 - Advertisements in newspapers and magazines (21%)

Reasons for responding or not responding to an expensive telephone number

The reasons given most often by targets for not responding to a misleading expensive telephone number are:

- I simply didn't trust it (47%)
- I was not interested in the offer (26%)
- I had heard about it before (19%)

The reasons given most often by victims for responding to the offer:

- I thought it was an attractive offer (32%)
- The offer / provider appeared to be credible (23%)
- I did not suspect there was anything wrong with it (17%)

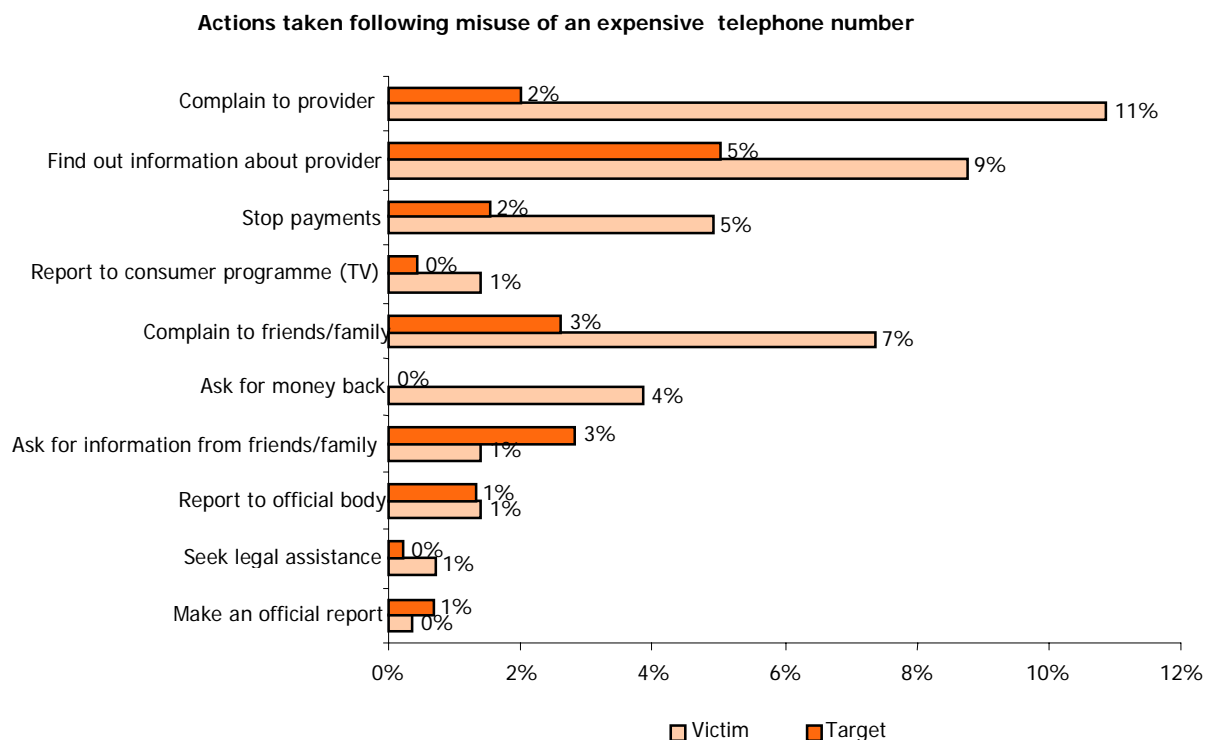
Action taken following this UCP

Most targets ignored the offer to call an expensive telephone number: they did nothing and/or did not take up the offer (88%). Few people who were targets took action, and where they did so it was usually to find out more information about the provider (5%).

The victims sometimes complained to the provider (11%), asked for information about the provider (9%) and complained to friends and family (7%).

Fewer than 1% in the survey had reported the UCP to the police, 1% of the victims reported it to an official body and 1% sought legal assistance.

Figure 7. Action taken following misuse of an expensive telephone number



Perception of the experience

- A total of 70% of the targets and 90% of the victims found this experience unpleasant to very unpleasant.

Other relevant information

On the most recent occasion that targets were asked to call a telephone number, 47% of cases were to do with home working, 22% a prize and 4% a test drive in an expensive car. The misleading aspect of this practice in particular was that people had to keep on the phone too long: 86% had the feeling they were kept on the phone for an unnecessarily long time. In addition 66% were not informed beforehand of the costs of the call.

4.4 Pyramid game

Description of UCP

Consumers are approached personally by a person known to them, or by telephone or email by an unknown provider who sells products. They are told that they have a big chance of making a profit / earning a lot of money if they sell the product. The personal approach would seem to be particularly common, because this allows the provider to obtain consumers' trust faster. As an intermediate step, people are often first asked to come to a presentation for more information, completely without obligation. At these presentations, there may be a 'sect-like atmosphere', where misleading information is presented and pressure exerted to take part. Sometimes, instead of a presentation at a location, consumers are asked to make an appointment for someone of the organisation to call them at their homes. In reality, the discounts or income from the sales of the products are disappointing for many people. And in order to earn anything, participants themselves must recruit new people to take part in the selling activities.

Extent of the problem

Familiarity, exposure and becoming a victim

- 39% of adult Dutch citizens are aware of the existence of this UCP. This makes this UCP one of the lesser known UCPs among the UCPs studied.
- 9.2% of adults have been approached during the past year for a pyramid game. This puts this UCP third with regard to incidence of approaching the public.
- 1.2% of adults have become a victim during the past year of a misleading lottery, i.e. an estimated number of 159,000 adults each year. This UCP therefore – in terms of the number of victims – has the fewest number of victims in the Netherlands to all UCPs studied.

Financial impact

- Pyramid games cost Dutch society an estimated 102 million euro per annum. This puts this UCP in third place.
- The average amount paid per victim 656 euro, putting this UCP in second place.

Target profile

- 53% of the targets of this UCP are men.
- With regard to age, household composition, education, socio-economic status, working activity, income and region, this UCP does not differ from the general profile.
- Those in rented accommodation are relatively more often a target at 39%.

Victim profile

- Half of the victims are men.

- 37% of the victims are young (18-34 years). This means that this UCP targets young adults the most of all UCPs.
- This UCP does not differ from the general profile regarding household composition, education, socio-economic status, working activity, income and home ownership.
- 23% of the victims live in the eastern region, which relatively speaking is a very high percentage.

Method of approach

- Average number of approaches during the past 12 months:
 - Targets: 2.3
 - Victims: 3.3
- The most common methods of approach are:
 - Email (27%)
 - Word-of-mouth advertising (26%)
 - Internet (11%)

Reasons for responding or not responding to a pyramid construction

The reasons given most often by targets for not responding to a pyramid construction are:

- I simply didn't trust it (46%)
- I was not interested in the offer (27%)
- It appeared too good to be true (20%)
- I had heard of it before (21%)

The reasons given most often by victims for responding to the offer:

- I thought it was an attractive offer (40%)
- The offer / provider appeared to be credible (33%)
- I responded on impulse (18%)

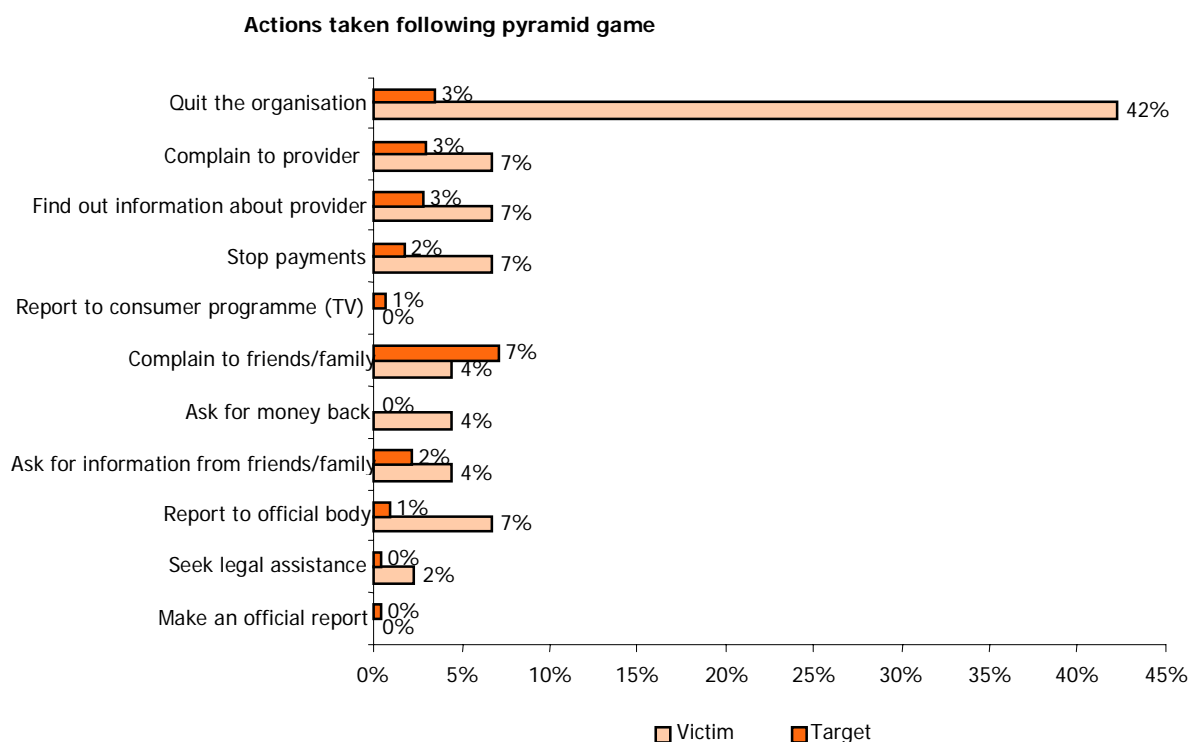
Action taken following this UCP

Most targets ignored the offer to take part in a pyramid game: they did nothing and/or did not take up the offer (86%). Few targets took any action, and if they did so it was usually to complain to friends and family (7%)

The action mentioned most often by victims was to quit the organisation (42%).

Fewer than 1% of the victims had reported the UCP to the police, 7% of the victims reported to an official body and 2% sought legal assistance.

Figure 8. Action taken following pyramid game



Perception of the experience

- A total of 74% of the targets and 69% of the victims found this experience unpleasant to very unpleasant.

Other relevant information

Virtually everyone felt that during the presentation of the pyramid, pressure was exerted to take part (61% felt that too much pressure was exerted, 30% a little pressure, 7% hardly any pressure, 2% no pressure).

Virtually everyone suffered a loss or earned less with the pyramid than they were led to believe; only one person had made as much or more than had been promised.

The way in which one could earn money was spread between the sale of products and recruiting new people for the pyramid, whereby the sale of products played a slightly greater role.

4.5 Misleading holiday clubs

Description of UCP

Consumers are asked to become a member of a holiday club, and are told that if they become members they will receive substantial discounts on holidays. But in reality the discounts are extremely disappointing, the holidays do not exist or still cost a great deal of money.

Or consumers are asked to buy into a holiday resort. Sometimes they are approached directly with the offer, being asked to attend a meeting/presentation for more information. Sometimes this is done indirectly, by first telling them they have won a holiday and then making a personal appointment with them to discuss it all. Usually respondents receive a letter confirming the appointment, sometimes with further information. During the appointment or meeting, consumers are then given information and told that they can buy into the holiday club and that for one or several weeks a year for several years they can go to the resort or resorts of the same holiday club. In order to gain their trust, they are sometimes offered the opportunity to go and look at the development and to take out a 'trial membership' for a shorter period of time (one to several years). But in reality, there are all kinds of extra costs involved if they want to go on holiday through the holiday club, they cannot take a holiday through the holiday club when they want to, one or more of the resorts of the holiday club prove not to exist and/or the quality of one or more resorts is disappointing.

Extent of the problem

Familiarity, exposure and becoming a victim

- 32% of adult Dutch citizens are aware of the existence of this UCP. This makes this UCP the least known UCP among all the UCPs studied.
- 7.7% of adults have been approached during the past year for a misleading holiday club. This puts this UCP in last place with regard to incidence of approaching the public.
- 1.3% of adults have become a victim during the past year of a misleading holiday club, i.e. an estimated number of 165,000 adults each year. This UCP is therefore second to last with regard to victim incidence.

Financial impact

- Misleading holiday clubs cost Dutch society an estimated 183 million euro per annum and is therefore the UCP with the greatest financial impact.
- The average amount paid per victim who has disclosed an amount is 1,083 euro. Here too, this puts the misleading holiday club in first place.

Target profile

- Targets of this UCP are virtually evenly distributed by gender: 51% are women and 49% are men. Age is distributed no differently to the general profile.
- Multi-person households, at 84%, are relatively more often the victim of this UCP than other UCPs. Households with and without children are no different in the profile from other UCPs.
- Education, socio-economic status, working activity, income and region also do not differ from the general profile.
- People living in rented accommodation are relatively more often a target of this UCP, at 38%.

Victim profile

- 51% of the victims are women. 35% of the victims are 18-34 years old, and so the victims are relatively young.
- A relatively large number of the multi-person households are victims (85%). Households with and without children do not differ from the general profile.
- There are also no differences with the general victim profile regarding education, socio-economic status, income and home ownership.
- People in salaried employment are most often (59%) a victim of this UCP compared to all other UCPs.
- For this UCP too, the eastern region appears to have relatively the most victims (23%).

Method of approach

- Average number of approaches during the past 12 months:
 - Targets: 2.2
 - Victims: 2.2
- The most common methods of approach are:
 - Telephone (26%)
 - Email (23%)
 - Post (14%)
 - Internet (14%)

Reasons for responding or not responding to a misleading holiday club

The reasons given most often by targets for not responding to a misleading holiday club:

- I simply didn't trust it (41%)
- I was not interested in the offer (36%)
- It appeared too good to be true (21%)

The reasons given most often by victims for responding to the offer:

- I thought it was an attractive offer (46%)
- The offer / provider appeared to be credible (27%)
- I responded on impulse (18%)

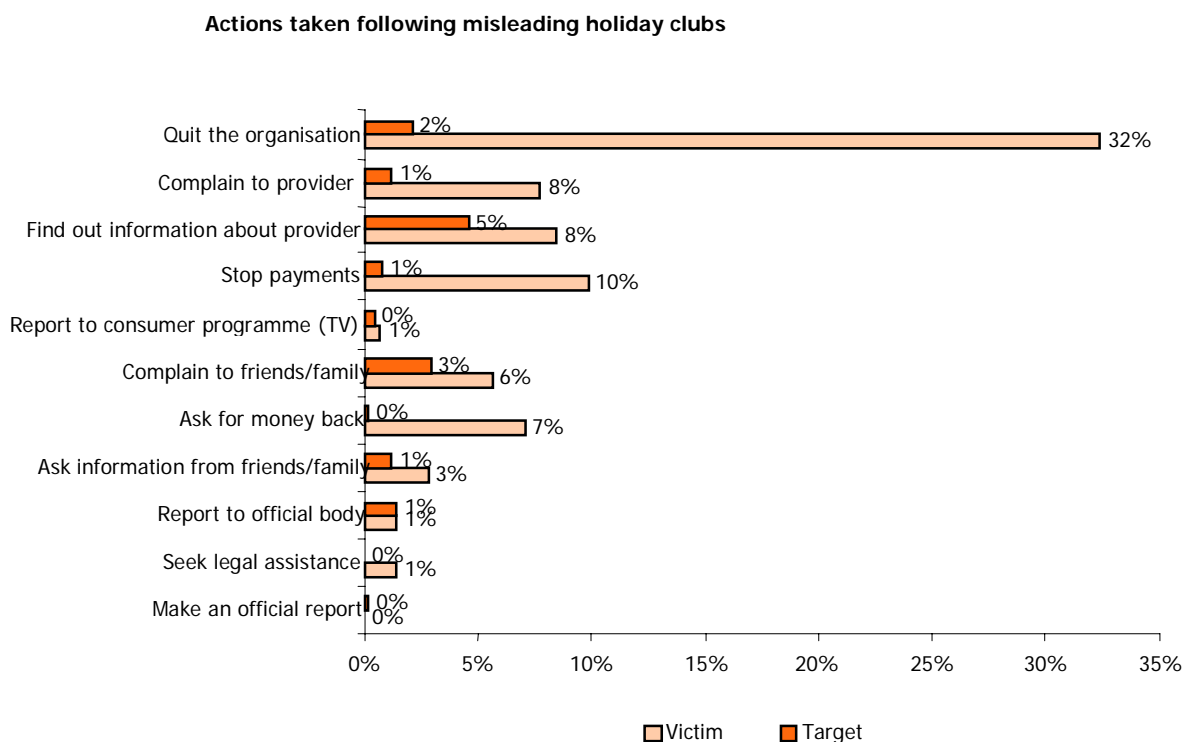
Action taken following this UCP

Most targets ignored the offer to participate in a misleading holiday club: they did nothing and/or did not take up the offer (86%). Few targets took any action, and if they did so it was usually to find out more information about the provider (5%).

The action mentioned most often by the victims was to quit the organisation (32%). 10% of the victims refused to pay or stopped payments.

Fewer than 1% of the victims had reported the UCP to the police, 1% of the victims reported it to an official body and 1% sought legal assistance.

Figure 9. Action taken following misleading holiday club



Perception of the experience

- A total of 67% of the targets and 66% of the victims found this experience unpleasant to very unpleasant.

Other relevant information

Nearly everyone felt that during a presentation of the misleading holiday clubs, pressure was exerted to participate (61% felt that too much pressure was exerted, 37% a little pressure, 13% hardly any pressure, 0% no pressure).

The misleading aspect of the holiday club was particularly in the range of holidays offered: in four out of ten cases the number of holidays offered to the victims was fewer than promised and availability poorer (40%). In a quarter of the cases a fewer number of holidays was offered to the victims or the availability was poorer than had been promised (26%).

4.6 Misleading and aggressive doorstep selling and misleading and aggressive selling during bus tours

Description of UCP

Consumers are called on at their homes by someone who wants to sell something. The salesperson can be so persistent or lie about the situation or about what he is selling, that people sometimes buy something that they do not actually want.

Or consumers join a cheap bus tour in the Netherlands, Belgium or Germany. During this bus tour, they are brought together at a location for a 'sales demonstration'. The fact that a sales demonstration will take place is usually known in advance by the participants on the tour, but the way in which this sales demonstration is put together is not known. During the sales demonstration, people are put under pressure to buy something. The salesperson can be so persistent or lie about the situation or about what he is selling, that people sometimes buy something that they do not actually want.

Extent of the problem

Familiarity, exposure and becoming a victim

- 53% of adult Dutch citizens are aware of the existence of this UCP. This puts this UCP in fifth position regarding familiarity with the UCPs studied.
- 18% of adults have been approached during the past year for this UCP. This puts this UCP fifth with regard to incidence of approaching the public.
- 2.7% of adults have become a victim during the past year of this form of misleading and aggressive doorstep selling/selling during bus tours, i.e. an estimated number of 347,000 adults (for each form) each year. This UCP is therefore sixth and seventh with regard to victim incidence.

Financial impact

- Misleading and aggressive selling during bus tours costs Dutch society an estimated 103 million euro per annum. The cost to the Netherlands as a whole from misleading and aggressive doorstep selling is an estimated 12.2 million euro.

- The average amount paid per victim with misleading or aggressive selling during a bus tour is 295 euro. The average amount per victim of misleading and aggressive doorstep selling is almost 35 euro.

Target profile

- 55% of the targets are women; this is a relatively high percentage of women as a target.
- 30% are 18-34 years, 32% are 35-49 years, 30% are 50-64 years and 7% are 65+. This is no different from the general profile of targets.
- There are also no differences with the general profile for household composition, education and socio-economic status.
- Working activity, income, region and home ownership are also not particular targets of this UCP.

Victim profile

- Victims are noticeably often women (62%). In addition, 35% of the victims are young (18-34 years), which compared to other UCPs is a high figure.
- For household composition and education, this UCP does not differ from the general profile.
- 36% of the victims have a low socio-economic status, which is a relatively high percentage.
- Working activity, income and home ownership also show no difference from the general profile.
- People from the south and east of the country are more often a victim of this UCP compared to other UCPs.

4.6.1 Misleading and aggressive doorstep selling

Approach

- Average number of approaches during the past 12 months:
 - Targets: 2.3
 - Victims: 2.9

Reasons for responding or not responding to misleading and aggressive doorstep selling

The reasons given most often by targets for not responding to misleading and aggressive doorstep selling are:

- I was not interested in the offer (57%)
- I simply didn't trust it (23%)
- I thought it was too expensive (13%)

The reasons given most often by victims for responding to the offer:

- I thought it was an attractive offer (34%)
- The offer / provider appeared to be credible (24%)
- I responded on impulse (24%)

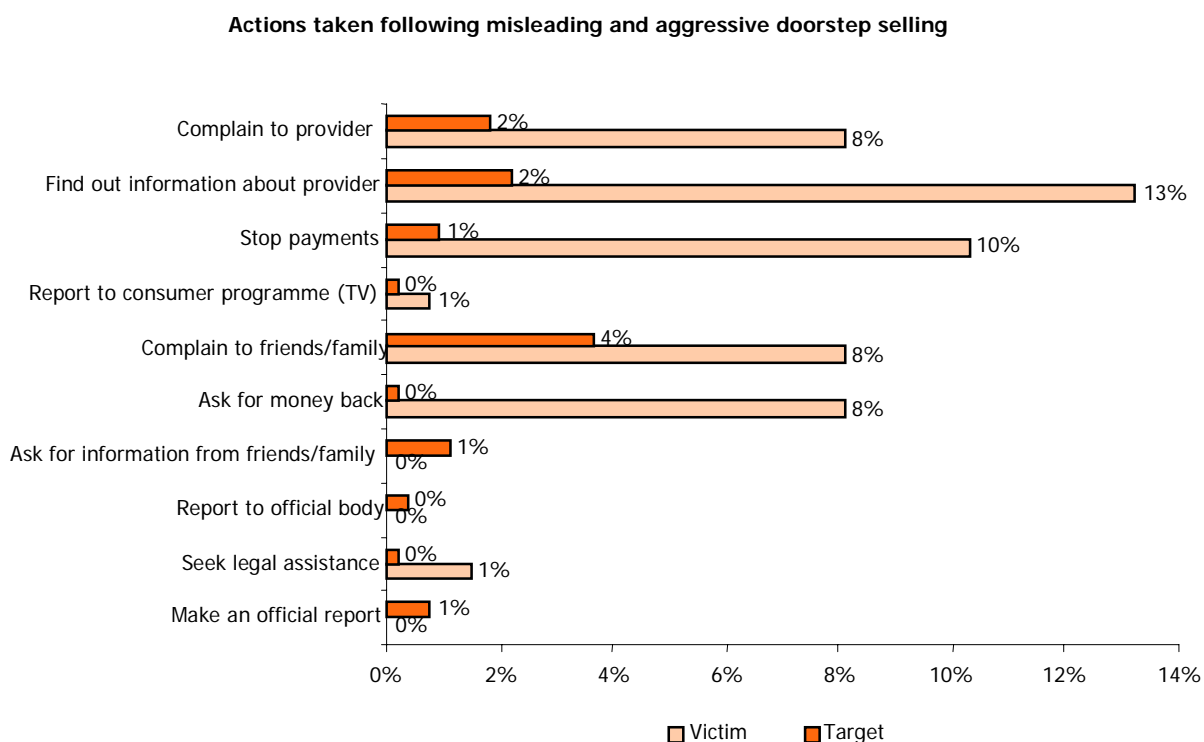
Action taken following this UCP

Most targets ignored the offer made on their doorstep: they did nothing and/or did not take up the offer (91%). Few targets took any action, and if they did so it was usually to complain to friends or family (4%).

The action of victims mentioned most often was to find out information about the provider (13%). 10% of the victims refused to pay or stopped payment.

None of the victims in the survey had reported the UCP to the police, 1% of victims reported it to an official body and 1% sought legal assistance.

Figure 10. Action taken following misleading and aggressive doorstep selling



Perception of the experience

- A total of 72% of the targets and 61% of the victims found this experience unpleasant to very unpleasant.

Other relevant information

The three most common offers were for switching energy supplier (37%), cards (15%) and security products (7%). The offers most bought were for switching energy supplier (6% of all people who were approached for misleading or aggressive doorstep selling), cards (6%) and services (2%).

Virtually everyone felt that pressure had been exerted during doorstep selling to buy something (40% felt that much pressure was exerted, 43% a little pressure, 10% hardly any pressure, 4% no pressure). Besides the pressure, there was also the misleading aspect of this UCP, particularly the information and the quality of the product: 58% of the victims stated that they were given insufficient information by the salesperson, among 50% the conditions of purchase were in retrospect worse than thought, and 41% state that in retrospect the quality of the product or service proved to be poorer than expected.

4.6.2 Misleading and aggressive selling during bus tours

Approach

- Average number of approaches during the past 12 months:
 - Targets: 2.1
 - Victims: 2.7

Reasons to respond or not to respond to misleading and aggressive selling during bus tours

The reasons given most often by targets for not responding to selling during bus tours are:

- I was not interested in the offer (43%)
- I thought it was too expensive (24%)
- I simply didn't trust it (15%)

The reasons given most often by victims for responding to the offer:

- I thought it was an attractive offer (24%)
- It was free, or almost free (24%)
- I responded on impulse (19%)

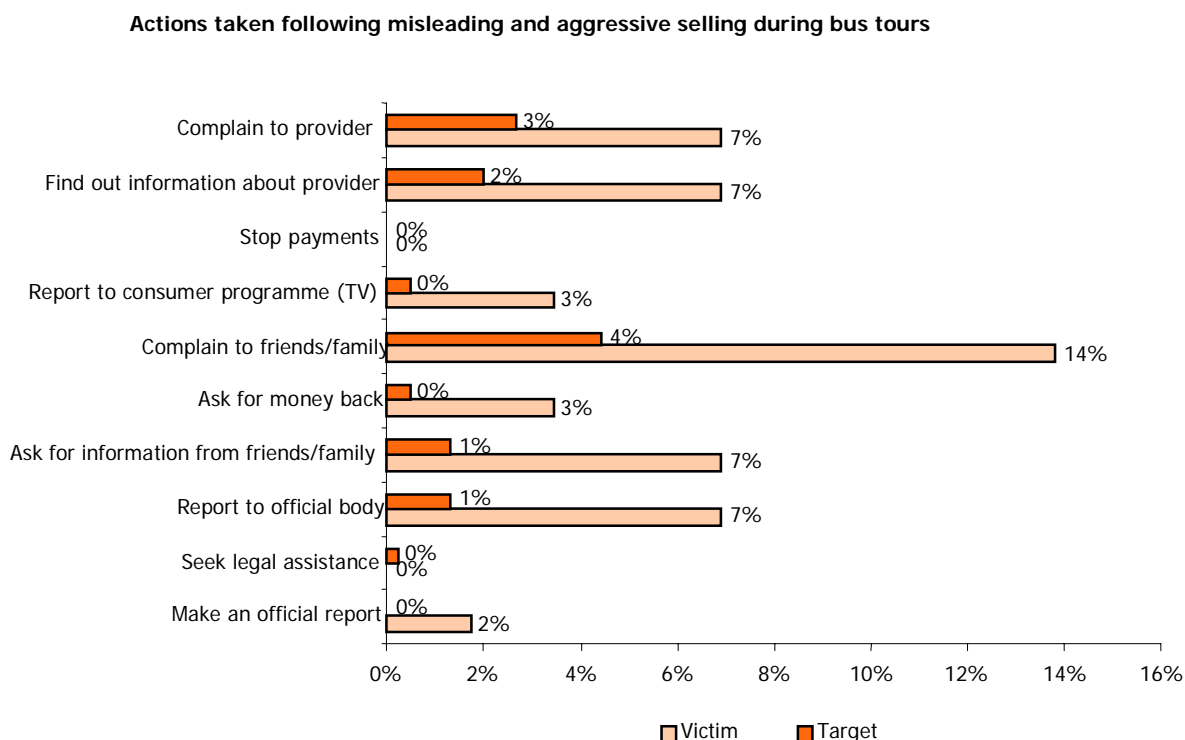
Action taken following this UCP

Most targets ignored the offer to participate in misleading or aggressive selling during a bus tour: they did nothing and/or did not take up the offer (88%). A relatively few number of people who were a target took action, and where they did so it was usually to complain to friends and family (4%).

The action of victims mentioned most frequently was also to complain in their local area (14%).

Two per cent of the victims in the survey had reported the UCP to the police, 7% of the victims reported it to an official body and no-one sought legal assistance.

Figure 11. Action taken following misleading and aggressive selling during bus tours



Perception of the experience

- A total of 58% of the targets and 60% of the victims found this experience unpleasant to very unpleasant.

Other relevant information

61% of participants know beforehand that there would be sales demonstrations during the bus tour. The ones offered most often were bedding (38%), household appliances (26%) and mattresses (21%). The most bought products were bedding and health products.

More than half of the participants on the bus tours felt that pressure had been exerted on them to buy something (37% stated that much pressure was exerted during the tour, 30% a little pressure). As well as the pressure, the misleading aspect of this UCP was found above all in the provision of information: 67% of those who bought something felt they had been insufficiently informed, and 45% that the conditions attached to the purchase were in retrospect worse than had been explained.

4.7 Misleading and aggressive telephone selling

Description of UCP

Consumers are telephoned by someone who wants to sell something. The salesperson can be so persistent or lie about the situation or about what he is selling, that people sometimes buy something that they do not actually want.

Extent of the problem

Familiarity, exposure and becoming a victim

- 53% of adult Dutch citizens are aware of the existence of this UCP. This puts this UCP in a middle position regarding familiarity with the UCPs studied.
- 24% of adults have been approached during the past year through misleading and aggressive telephone selling. This puts this UCP third with regard to incidence of approaching the public.
- 6.2% of adults have become a victim during the past year of misleading and aggressive telephone selling, i.e. an estimated number of 810,000 adults each year. After the so-called free products, this UCP produces the highest incidence of victims in the Netherlands

Financial impact

- Misleading and aggressive telephone selling costs Dutch society an estimated 97.5 million euro per annum.
- The average amount paid per victim who paid an amount and disclosed this amount to this survey is 121 euro.

Target profile

- 54% of the targets of misleading and aggressive telephone selling are women. This is a high percentage. An exceptionally small number of young adults (9%) are a target of this UCP.
- An exceptionally large number (66%) of the targets are households with children.
- In addition, 36% of the targets have a low level of education, 40% have a middle level of education and 22% a high level of education. From this, we see that those with a low level of education are more often the target of this UCP than any of the others. This distortion cannot be seen in socio-economic status.
- Targets do not differ from the general profile for working activity, income and region.
- Targets of this UCP are often home owners.

Victim profile

- 61% of the victims of misleading and aggressive telephone selling are women; compared to other UCPs this is an exceptionally high percentage. It is remarkable that 35% of the victims are in the age category from 35 to 49 years. That is the highest percentage, compared to all other UCPs.
- 39% of the victims have a household with children. This too is comparable to the other UCPs.
- Persons with a low level of education are more often a victim of misleading and aggressive telephone selling compared to other UCPs. People of a lower socio-economic status are also slightly more often a victim compared to other UCPs.
- For working activity, income and region, there are no differences to the general victim profile.
- 67% of the victims are homeowners. This is the highest percentage among UCPs.

Approach

- Average number of approaches during the past 12 months:
 - Targets: 9,6
 - Victims: 11,8
- Approaches for misleading and aggressive telephone selling is always by telephone.

Reasons for responding or not responding to misleading and aggressive telephone selling

The reasons given most often by targets for not responding to misleading and aggressive telephone selling are:

- I was not interested in the offer (61%)
- I simply didn't trust it (14%)
- I was put under pressure (14%)

The reasons given most often by victims for responding to the offer:

- I thought it was an attractive offer (51%)
- I responded on impulse (18%)
- I was put under pressure (16%)

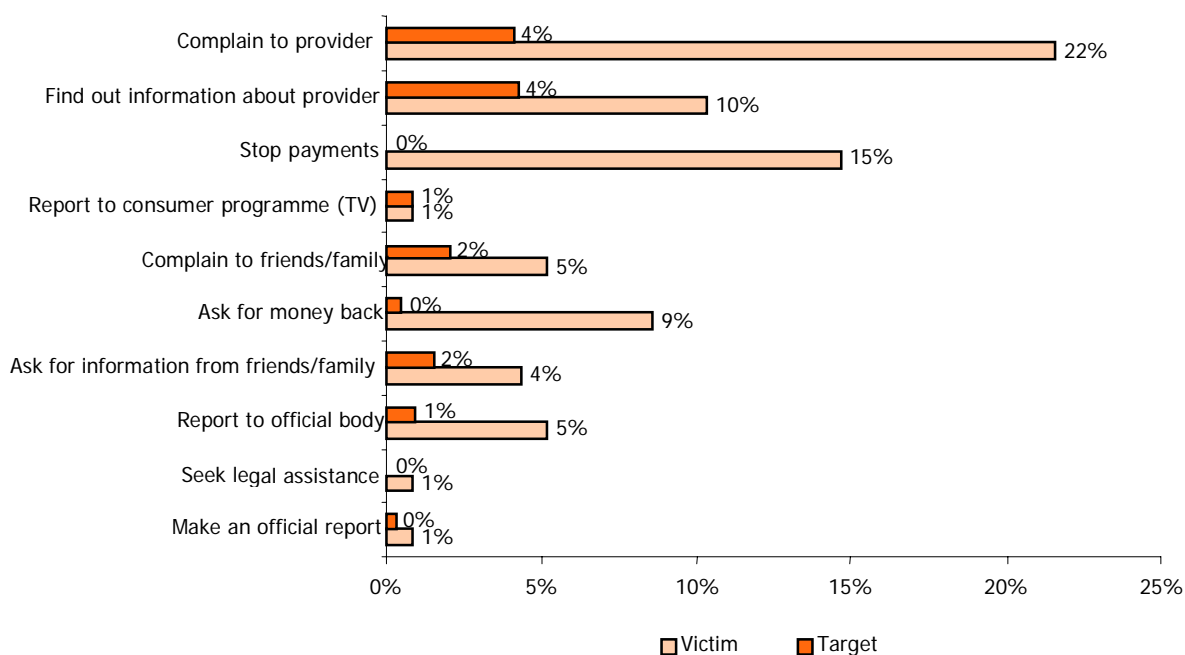
Action taken following this UCP

Most targets ignored the offer from the telephone salesperson: they did nothing and/or did not take up the offer (88%). Only very few targets took action, and where they did so it was usually to complain to friends, family and to the provider (both 4%).

The action of victims most frequently mentioned is complaining to the provider (22%).

One per cent of the victims in the survey had reported the UCP to the police, 5% of the victims reported it to an official body and one per cent sought legal assistance.

Actions taken following misleading and aggressive telephone selling



Perception of the experience

- A total of 79% of the targets and 64% of the victims found this experience unpleasant to very unpleasant.

Other relevant information

The products most frequently offered were to switch energy supplier (47%), telephone subscriptions (10%) and membership for a good cause (8%). There was nearly always an element of pressure with telephone selling: 47% reported that during the call much pressure was exerted, and 40% a little pressure.

Besides the pressure, the misleading aspect was insufficient or incorrect information: 58% felt that the salesperson gave them insufficient information beforehand, and 50% stated that the conditions attached to the purchase were in retrospect worse than expected. 28% felt that the information of the salesperson about his background or the company for which he worked was in retrospect only partly true, and 14% even reported that nothing proved to be true at all.

4.8 Unsolicited deliveries

Description of UCP

A company sends consumers something they have not asked for, and then make out that they are obliged to pay. Sometimes consumers have never had any contact before with the company, sometimes they applied for a trial pack at a small cost, and then receive expensive follow-up deliveries that have not been asked for. If they do not reply, they receive a bill (sometimes followed by reminders, warnings and threats from debt collection agencies) and often continue to be sent new deliveries.

Extent of the problem

Familiarity, exposure and becoming a victim

- 42% of adult Dutch citizens know of the existence of this UCP. This makes this UCP one of the less well known UCPs among the UCPs studied.
- 13% of adults have received an unsolicited delivery in the past year. This puts this UCP in seventh place with regard to incidence of approaching the public.
- 1.8 % of adults have become a victim in the past year of unsolicited deliveries, i.e. an estimated 239,000 adults per annum. This makes it one of the UCPs with a relatively few number of victims in the Netherlands.

Financial impact

- Unsolicited deliveries cost Dutch society an estimated 5.3 million euro per annum. This puts it in last place.
- The average amount paid per victim is 22 euro.

Target profile

- 52% of the targets are men, so that this UCP focuses more on men than other UCPs. Age seems not to differ from the average picture, although there is a slight emphasis on those aged 65 and above (9%) .
- For household composition, education, socio-economic status, income, region and home ownership, the profile of this UCP does not differ from the general target profile.
- 9% of the targets in this category are self-employed persons, making this the highest percentage for targets of all UCPs.

Victim profile

- Men are not victims of this UCP more often than women. Older people (65+) however are more often a victim than young adults (10%).
- Victims of this UCP do not differ from the general profile of victims in respect of household composition, education, socio-economic status, income, region and home ownership.
- 8% of the victims are self-employed persons. This is the highest percentage of all UCPs.

Method of approach

- Average number of approaches during the past 12 months:
 - Targets: 1.7
 - Victims: 20
- Approaches for unsolicited deliveries is always by post.

Reasons to respond or not respond to unsolicited deliveries

The reasons given most often by targets for not responding to unsolicited deliveries are:

- I was not interested in the offer (45%)
- I hadn't asked for anything (28%)
- I simply didn't trust it (20%)

The reasons given most often by victims for responding to the offer:

- It was free, or almost free (25%)
- I thought it was an attractive offer (18%)
- I did not suspect there was anything wrong with it (12%)

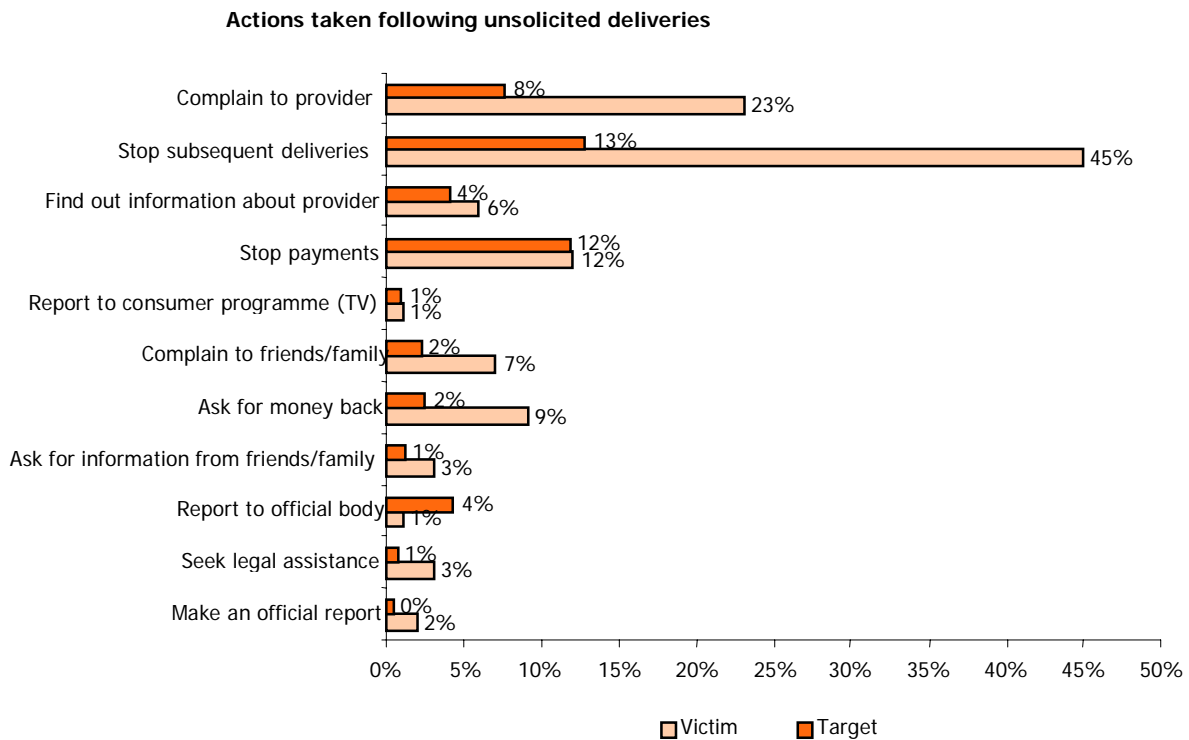
Action taken following this UCP

Most targets ignored the material sent to them: they did nothing and/or did not take up the offer (69%). Thirteen per cent of the targets stopped future deliveries and 12% stopped the payments.

The action of victims most frequently mentioned was to stop the deliveries (45%), 23% complained to the provider and 12% stopped the payments.

Two per cent of the victims in the survey had reported the UCP to the police, 1% of the victims reported it to an official body and 3% sought legal assistance.

Figure 13. Action taken following unsolicited deliveries



Perception of the experience

- A total of 74% of the targets and 79% of the victims found this experience unpleasant to very unpleasant.

Other relevant information

Articles sent most often were books (17%), a discount pass/membership of a club giving you discounts on all sorts of products (17%), cards (12%) and underwear/lingerie (12%).

Most people who were sent unsolicited items had never had any previous contact with the company that sent the unsolicited items (65%). Roughly a quarter (28%) had indeed had previous contact with the company and 7% cannot remember (any more).

4.9 So-called free products

Description of UCP

A product is offered free of charge. But if one takes up the offer, it becomes clear that one does indeed have to pay something, such as for administration costs, postage or printing costs. Sometimes these costs are only apparent afterwards, sometimes people are informed about these costs before they take up the offer but these charges then prove afterwards to be higher than expected.

What also occurs is that individuals discover retrospectively that they have to take out a subscription/membership and this costs money, or that they receive new things without asking for them, and which they do indeed have to pay for.

Extent of the problem

Familiarity, exposure and becoming a victim

- 71% of adult Dutch citizens know of the existence of this UCP. This makes this UCP the most well known UCP among the UCPs surveyed.
- 40% of adults were approached in the past year with free products. This puts this UCP in first place as regards incidence of approaching the public.
- 7.2 % of adults have become a victim in the past year of so-called free products, i.e. an estimated 936,000 adults per annum. This UCP generates the most victims of all UCPs.

Financial impact

- So-called free products cost Dutch society an estimated 13,4 million euro per annum.
- The average amount paid per victim who paid an amount and disclosed this amount to this survey is 14 euro.

Target profile

- Women (54%) are more often targets of this UCP than men.
- This UCP does not differ from the general target profile regarding age, household composition, education, socio-economic status, working activity, income, region and home ownership.

Victim profile

- 56% of the victims are women. They are therefore victims more often than men.
- Victims of this UCP are in line with the general victim profile regarding age, household composition, education, socio-economic status, working activity, income, region and home ownership.

Method of approach

- Average number of approaches during the past 12 months:
 - Targets: 4.4

- Victims: 4.8
- The most common methods of approach are:
 - Email (23%)
 - Internet (23%)
 - Telephone (21%)
 - Post (20%)

Reasons for responding or not responding to so-called free products

The reasons given most often by targets for not responding to the so-called free products are:

- I was not interested in the offer (48%)
- I simply didn't trust it (18%)
- They wanted money (16%)
- I didn't ask for it (12%)

The reasons given most often by victims for responding to the offer:

- I thought it was an attractive offer (66%)
- It was free, or almost free (27%)
- I responded on impulse (17%)
- The offer / provider appeared to be credible (12%)

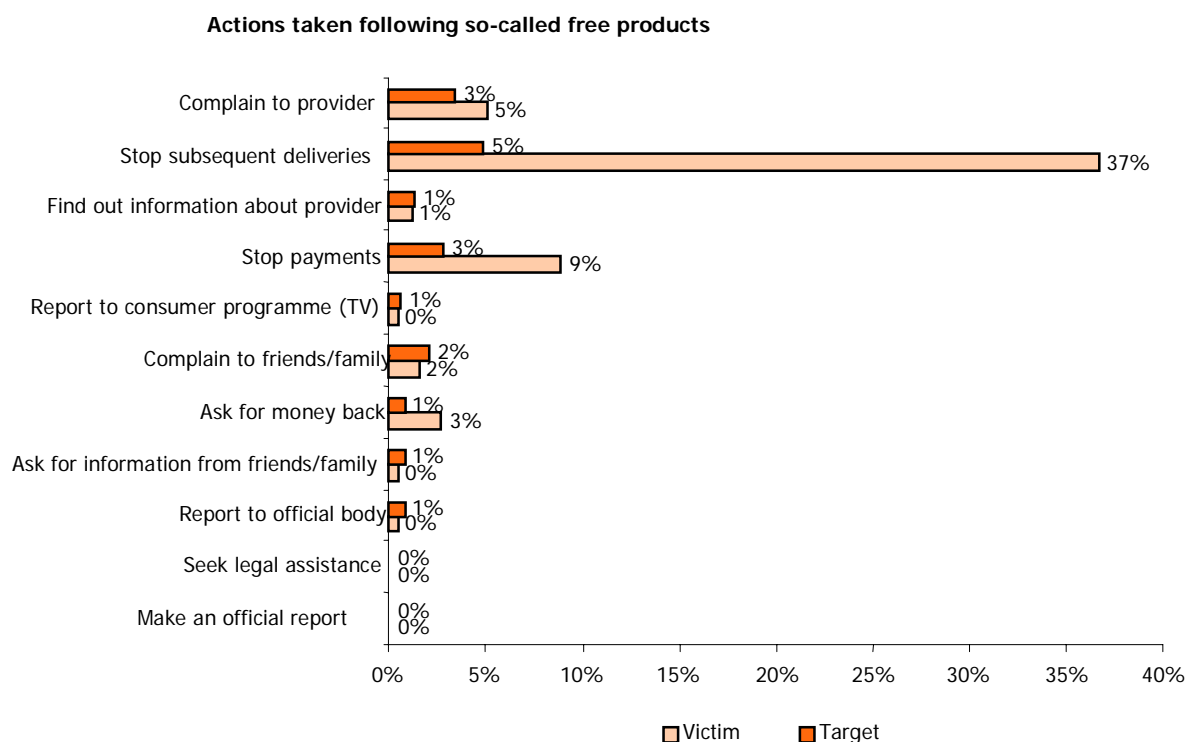
Action taken following this UCP

Most targets ignored the material sent to them: they did nothing and/or did not take up the offer (86%). Five per cent of the targets stopped future deliveries and 3% stopped the payments.

The action of victims most frequently mentioned was also to stop deliveries (37%) and the payments (9%).

No-one had reported this UCP to the police, 1% of the victims reported it to an official body and no-one sought legal assistance.

Figure 14. Action taken following so-called free products



Perception of the experience

- A total of 57% of the targets and 50% of the victims found this experience unpleasant to very unpleasant.

Other relevant information

Business cards were mentioned most often (21%) as a so-called free product being offered, followed by health products (13%), magazines (9%) and underwear/lingerie (8%).

Of those who did take or order a free product or service, a substantial majority paid a sum of money: roughly three-quarters (72%) had paid postage and packing costs, administrative costs, printing costs or other costs and 14% paid a sum for the product itself.

Most victims did not know beforehand that they had to pay costs (25%), found themselves afterwards committed to a subscription without knowing that beforehand (28%), or both (19%).

4.10 Products with a misleading health claim

Description of UCP

An advertisement (of a manufacturer or a chemist) promises that a product will make everyone healthier, slimmer or more beautiful. But the product does not do what the advertisement says.

Example: slimming products, all kinds of health supplements, products to combat balding, etc.

Extent of the problem

Familiarity, exposure and becoming a victim

- 68% of adult Dutch citizens are aware of the existence of this UCP. This makes this UCP the second most known UCP.
- 28% of adults have been approached during the past year with a misleading health claim. This puts this UCP fourth with regard to incidence of approaching the public.
- 5.6 % of adults have become a victim during the past year of misleading health claims, i.e. an estimated number of 725,000 adults each year. This UCP is therefore third with regard to victim incidence.

Financial impact

- Products with a misleading health claim cost Dutch society an estimated 26.4 million euro per annum.
- The average amount paid per victim who has paid an amount and disclosed this during the survey is 36 euro.

Target profile

- Women are noticeably more often a target of this UCP than men.
- This UCP does not differ from the overall target profile with regard to age, household composition, education, income, region and home ownership.
- Targets are slightly more often (51%) part of the group with the highest socio-economic status.
- Many students are also a target, compared to other UCPs.

Victim profile

- 70% of the victims of this UCP are women. This is the highest percentage compared to the other UCPs.
- Victims are not more often of a certain age, household composition, socio-economic status, income, with a particular working activity and from a particular region for this UCP than for other UCPs.
- 24% of the victims have a low level of education. This is high, compared to other UCPs.
- In addition, those who are homeowners (60%) are more often victims of this UCP than of other UCPs.

Methods of approach

- The average number of approaches during the past 12 months:
 - Targets: 6.8
 - Victims: 6.8

- The most common methods of approaching the public are:
 - Door-to-door newspaper/magazine (24%)
 - Internet (16%)
 - Email (13%)
 - Telephone (13%)
 - Post (13%)

Reasons for responding or not responding to misleading health claims

The reason given most often by targets for not responding to misleading health claims are:

- I was not interested in the offer (47%)
- It was too good to be true (28%)
- I simply didn't trust it (21%)

The reason given most often by victims for responding to such claims are:

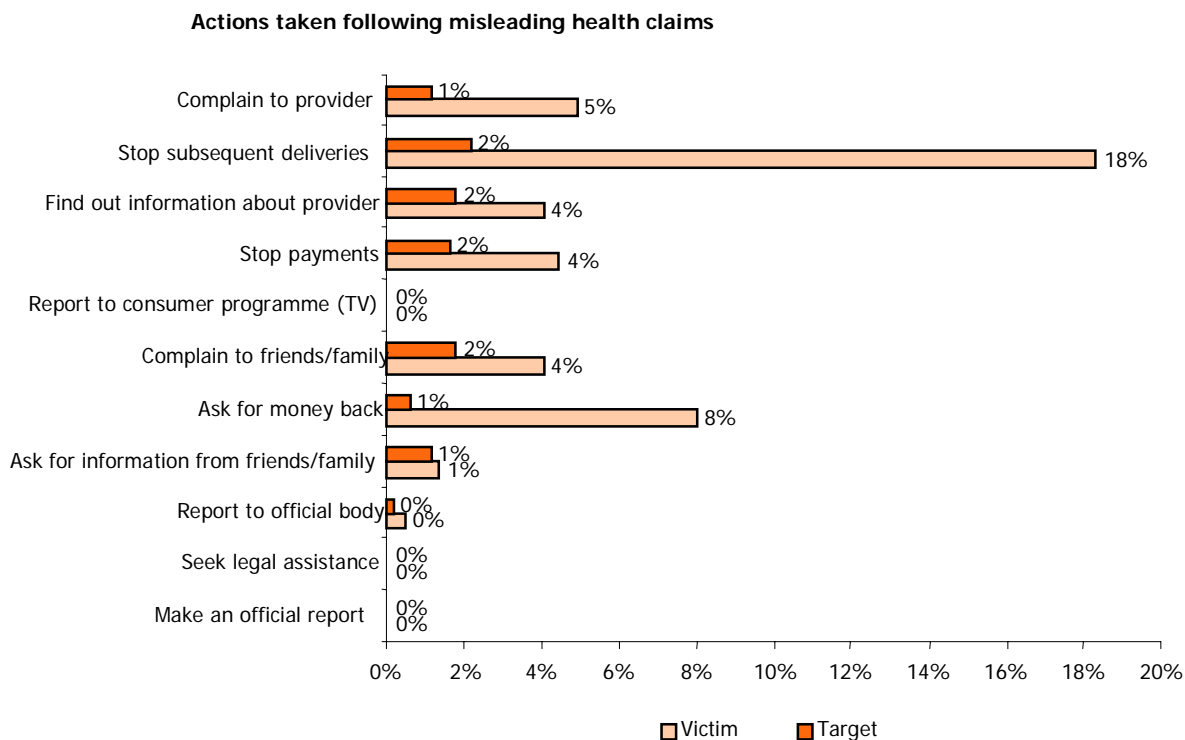
- I thought it was an attractive offer (51%)
- It looked credible (33%)
- They gave a guarantee (17%)

Action following this UCP

Most targets ignored the material: they did nothing and/or did not take up the offer (88%).

The action of victims most frequently mentioned is stopping this UCP (18%) and demanding their money back (8%). None of the victims interviewed for the survey had reported this UCP to the police, none reported it to an official body and none sought legal assistance.

Figure 15. Action taken following misleading health claims



Perception of the experience

- A total of 43% of the targets and 61% of the victims found this experience unpleasant to very unpleasant.

Other relevant information

The misleading aspect of this UCP was to be found above all in the information: 74% of those who had bought a product found the information misleading. 56% of the buyers also found the information incomplete and 43% found the information to be unclear.