

Government  
of Canada

Gouvernement  
du Canada

**DECEPTIVE**  
*Telemarketing*

<http://competition.ic.gc.ca>

Canada



COMPETITION  
BUREAU

## ***What Is the Competition Act?***

The *Competition Act* (the Act) is a federal law governing business conduct in Canada and is enforced by the Competition Bureau (the Bureau). It aims to promote competition in the marketplace by stopping anti-competitive practices. Most businesses in Canada, both small and large, are governed by this Act.

The Commissioner of Competition (the Commissioner) is head of the Bureau, which is part of Industry Canada. The Commissioner is responsible for the administration and enforcement of the *Competition Act*, as well as three statutes concerning the accuracy and adequacy of information provided to consumers:

- the *Consumer Packaging and Labelling Act*
- the *Textile Labelling Act*
- the *Precious Metals Marking Act*.

## ***Deceptive Telemarketing***

Telemarketing is the selling of goods or services over the telephone — everything from magazines to carpet cleaning — and also includes the soliciting of funds for charities. The *Competition Act* has been amended recently and the new law now defines deceptive telemarketing as person-to-person calls used to make false or misleading representation in promoting the supply of a product or a business interest.

Although most telephone sales calls are from legitimate businesses or charities, the telephone can also be a gold mine for con artists who can use it to trick unsuspecting consumers out of their money. Con artists use all sorts of clever scams to trap their targets, and victims seldom get their money back.

The best way to deal with telephone scams is to prevent them. Be aware. Be prepared. Be alert!

## ***The Signals of Deceptive Telemarketing***

If the offer being made sounds too good to be true, it probably is. The signals listed below may help you identify a telephone scam. Be wary if the caller does one or more of the following:

- promises you a gift or valuable prize if you make a purchase or pay any fee or tax;
- contacts you a second or third time with a better sounding offer, or gives excuses for why your earlier prizes were not as described in the original offer;
- requests that you give your credit card number, or write out a cheque or obtain a money order to be picked up or sent by courier before you have had time to fully consider the offer or request;
- claims to be a lawyer, police investigator, or other official who has recovered your money but asks you to pay a legal or administrative fee before it is returned to you;
- uses high-pressure sales techniques and refuses to take “no” for an answer;
- insists that you make a purchase right away;
- refuses to provide you with references you can check;
- can't or won't tell you what prize you have won.

### ***How to Protect Yourself from Deceptive Telemarketers***

Phone scammers can be sophisticated and believable. They might even know a lot of personal information about you and your family. So when you do business over the phone, here are some of the things you should do to protect yourself. Ask for:

- the name of the company or person the caller is working for;
- the type of product or business interest he or she is promoting; and
- the purpose of the call.

If the caller refuses to provide this information immediately, hang up! It is most likely a scam. Also, you should:

- check out the company or organization and request written information; swindlers often don't like putting things in writing;
- not be pushed into a hasty decision;

- not make any purchase or investment you don't fully understand;
- not give out your credit card number, your bank account number or any other personal or financial information over the phone.

The most important thing to remember is that if you have any doubts about the call, just hang up! You are in control.

### ***What All Telemarketers Must Do Under the Law***

At the very beginning of the call, all telemarketers must disclose:

- the name of the company or person they are working for;
- the type of product or business interest they are promoting; and
- the purpose of the call.

Sometime during the call, telemarketers are also required to disclose the price of any product being sold and any restrictions or conditions that must be met before the product is delivered.

The law also forbids telemarketers from:

- making any representation that is false or misleading in a material respect;
- conducting a contest, lottery or other game where delivery of the prize is conditional on payment in advance, or where the approximate value of the prizes and other facts that affect the chances of winning are not fairly disclosed;
- offering a free gift or a product at minimal cost as an inducement to buy a second product (this is acceptable if they disclose the approximate value of the gift or premium); and
- requiring payment in advance where the price of the product upon deliver is revealed to be grossly exaggerated compared to the fair market value of that product.

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## ***How Do I Report Deceptive Telemarketing?***

Deceptive telemarketing is a criminal offence. If you or someone you know has been a victim of this crime, contact the Competition Bureau.

The Bureau conducts its investigations in private and keeps confidential the identity of the source and the information provided. However, if someone has important evidence about an offence under the Act, that person may be asked to testify in court.

*The Bureau produces videos and publications on various aspects of the Competition Act, the Consumer Packaging and Labelling Act, the Textile Labelling Act and the Precious Metals Marking Act. To find out more about our videos and publications, contact the Information Centre at:*

Information Centre  
Competition Bureau  
Industry Canada  
50 Victoria Street  
Hull QC K1A 0C9

**Toll free:** 1-800-348-5358  
**National Capital Region:** (819) 997-4282  
**TDD (for hearing impaired):** 1-800-642-3844

**Fax:** (819) 997-0324

**E-mail:** [compbureau@ic.gc.ca](mailto:compbureau@ic.gc.ca)  
**Web site:** <http://competition.ic.gc.ca>

*This publication is only a guide. It provides basic information about the Competition Bureau and the Competition Act. For further information, you should refer to the full text of the Competition Act or contact the Competition Bureau at one of the numbers listed above.*