

Getting It Right

IBO Customer Acquisition Code



ACN IBO ethical and regulatory responsibilities when representing ACN and ACN Agency products and services – doing the right thing by the New Zealand Consumer.

Overview

Your position as an ACN Independent Business Owner (IBO) carries many benefits and, as with any business, a number of important regulatory responsibilities. Your responsibilities can be best described as providing truthful and correct information regarding the products and services offered by ACN and ensuring that, as an ACN IBO, you represent and pursue the ACN Opportunity in an ethical and professional manner.

ACN has a strong commitment to protecting the integrity of the ACN Business Opportunity and the rights of the Consumer. That is why honesty, integrity, and credibility underpin everything we do at ACN and why your understanding and application of ACN's core values matter. Put simply, misleading or unscrupulous business practice by an ACN IBO will not be tolerated.

To complement and support ACN's commitment to the New Zealand Consumer we maintain strong compliance monitoring and overview of the design, representation, and operation of ACN products and services and monitor closely the conduct of ACN IBOs in relation to the acquisition, referral, and sign-up of customers.

In business for yourself but not by yourself...

ACN, through our public websites, [IBO Back Office](#), [Pacific Compass](#), your Personal IBO Website, and via leadership trainings and events, provides all ACN IBOs with access to high quality Product, Business Opportunity, and Customer Acquisition training. Please take the time to review the resources available to you via the My Business section of your [IBO Back Office](#) website and the [Getting Started](#), [Resources](#), [Training](#) and [Events](#) sections of [Pacific Compass](#).

Remember, if you are unsure about your obligations or would like further support and guidance, ACN's IBO Support team is just a phone call or a mouse click away.

This 'Customer Acquisition Code' (CAC) provides a broad overview of the regulatory environment that you, as an ACN IBO, operate within. This information is intended to provide you with a clear understanding of what it means (and what is required) to conduct your ACN business in an ethical and credible manner.

Once you have completed the CAC Accreditation and passed with 100% accuracy, you are ready to start selling.

Telecommunications and Direct Selling Regulations and Codes

Key Points

- ACN and ACN IBOs in New Zealand are required to comply with:
 - the Fair Trading Act 1986 (FTA);
 - the Telecommunications Act 2001;
 - the Privacy Act 1993; and
 - the Telecommunications Information Privacy Code 2003.
- The Telecommunications Act and Fair Trading Act are enforced and administered by the NZ Commerce Commission www.comcom.govt.nz/the-commission.
- The Privacy Act and the Code are administered and enforced by the Privacy Commissioner.
- ACN is a member of the Direct Selling Association of New Zealand (DSANZ) and is responsible for upholding the
- **DSANZ's Direct Selling Code of Practice.** ACN IBOs must comply with this Direct Selling Code of Practice.

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DSANZ Direct Selling Code of Practice

ACN is proud and honoured to be a member of the DSANZ and is responsible for implementing and enforcing the Direct Selling Code of Practice. A copy of the **Direct Selling Code of Practice** is available at www.dsanz.co.nz/code.html

The DSANZ Direct Selling Code of Practice applies to the relationship between:

- ACN and ACN IBOs.
- ACN IBOs and Consumers.
- ACN and Consumers who sign-up for and use ACN products and services.
- ACN and other DSANZ members.

The Code's objective is to ensure responsibility and fair trading practice toward Consumers and the general public by all Members of the Association and their representatives.

The New Zealand Fair Trading Act 1986 (FTA)

The FTA is designed to ensure good service and fair outcomes for New Zealand consumers and contains provisions relating to the ethical and fair representation of products and services to the consumer. The FTA applies to ACN and to you and your activities as an ACN IBO.

ACN has designed online direct IBO stores that provide you and your customer with all of the information necessary to ethically and clearly represent ACN's products, offers, and the terms and conditions associated with these products and offers.

When representing ACN products and services to potential customers **the right steps** must be taken to ensure you have met your regulatory and compliance obligations to the customer. Remember, a potential customer must never be (or feel) pressured and must always be treated ethically and with respect. If you feel that your potential customer may be having difficulty understanding your representations or ACN's products and services, then do not proceed.

Privacy

ACN operates in accordance with the Telecommunications Act, the Privacy Act, the Information Privacy Principles (IPP), the Telecommunications Information Privacy Code, and the [ACN Privacy Policy](http://acnpacific.com/nz/privacy-policy) (see acnpacific.com/nz/privacy-policy). That is why there are restrictions to the information we are able to provide to ACN IBOs and limits to the amount of access we can provide to you in relation to customers.

ACN is committed to collecting and using personal information in a fair and lawful manner, ensuring its accuracy, keeping personal information only for lawful purposes, not using or disclosing such information in a manner incompatible with such purposes, and to taking appropriate security measures against unauthorised access, disclosure or destruction. ACN requires all ACN IBOs to do the same and to comply with privacy laws.

Privacy also means NO SPAM

The Unsolicited Electronic Messages Act 2007 is administered and enforced by the Department of Internal Affairs. The Act is designed to help stop spammers, by creating a safe and secure electronic environment for businesses and the community.

The **Unsolicited Electronic Messages Act 2007** provides that:

One must not send unsolicited commercial electronic messages and that commercial electronic messages (including emails and SMS text messaging) must include information about the person (individual or organisation) who authorised the sending of the message. In addition, commercial electronic messages must also contain a functional unsubscribe facility.

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ACN does not send unsolicited commercial electronic messages to potential customers or IBOs, and ACN prohibits ACN IBOs from sending such messages to anyone. There are no exceptions to this rule. Spamming simply means bad publicity and damage to the good reputation of ACN.

It is important for each IBO to understand that this Act imposes heavy penalties on persons who breach its provisions.

It's simple really; no Spamming at any time.

The right steps...

Conduct toward Consumers

- a. IBOs shall conduct their business in a manner respectful of the rights and privileges of the individual in the privacy of his/her own home.
- b. No IBO shall use physical force, harassment or coercion in connection with the supply or possible supply of goods or services or the payment for goods or services.
- c. IBOs shall not use misleading, deceptive or unfair sales practices as per the Fair Trading Act 1986 Sections 9, 10, 11, 13, 14, and/or 17.
- d. An IBO shall discontinue a demonstration, or sales presentation or telephone call immediately upon the request of the Consumer.
- e. IBOs shall make personal or telephone contact with consumers only in a reasonable manner and during reasonable hours to avoid intrusiveness. IBOs and Companies shall take appropriate steps to ensure the protection of all private information provided by a consumer, a potential consumer, or another IBO.
- f. IBOs shall not abuse the trust of individual consumers and shall respect the lack of commercial experience of consumers. IBOs shall not exploit a consumer's age, disability, illness, lack of understanding, literacy or unfamiliarity with a language. Some consumers may be considered disadvantaged or vulnerable in some situations if they:
 - have a low income;
 - speak English as a second language;
 - have an intellectual, psychiatric, physical, sensory, neurological or learning disability;
 - suffer from a serious or chronic illness;
 - have poor reading, writing and/or numerical skills;
 - are homeless;
 - are very young;
 - are old; and/or
 - come from a remote area.

Obviously not all consumers with these characteristics can or should be considered unable to understand and/or enter into an agreement, or at a greater risk of making poor purchasing decisions.

This said, it is extremely important that you act ethically, in good faith, and with proper consideration of the person's situation. The onus is on you to employ sound and reasonable judgement when representing ACN, the ACN Opportunity and ACN Agency products and services to a person who may be considered disadvantaged or vulnerable.

If you are at all unsure as to a person's competence or ability to enter into an agreement then do not proceed with presenting ACN Agency products and services to them.

Remember, you must properly describe the products/services you are offering and must provide the customer with all of the information relating to the products/services including pricing and the terms and conditions of the offer.

Please note, your customer must go online, shop, and sign themselves up for services at their convenience and at a time of their choosing; or by using the nominated ACN service team where appropriate.

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If either you or the customer have a question, or are unsure on any point, then prior to the customer completing their application, you and/or the customer should contact ACN IBO Support online via the [Get in Touch form](#), or by using our online chat facility and seek to obtain clarification from ACN prior to their sign-up.

You must...

- ✓ Clearly identify yourself as an ACN IBO and provide your ACN IBO Business ID, name and your business contact details.
- ✓ Immediately leave the consumer's premises/place of residence if requested to do so.
- ✓ At all times refer to and strictly adhere to the product offer and service descriptions provided to all ACN IBOs by ACN and ACN Agency partners.
- ✓ When offering any ACN Agency product or service you must ensure that the applicable service coverage, service availability, and product availability checks are completed with the customer.
- ✓ Take the time to explain the nature and amount of each type of charge applicable under the Customer Agreement and inform the customer.
- ✓ Using the product and offer information available via your ACN Personal IBO Website to ensure that you fully explain plans, terms and any special offers in detail. Ensure the customer is aware of any minimum total charge associated with their Customer Agreement and that they are aware of any early termination fee that may apply should they choose to cancel their Customer Agreement prior to the end of the Agreement's minimum term.
- ✓ Where applicable, explain to the customer their rights of cooling off under the DSANZ Code (ten days) and their consumer rights under the Customer Agreement. These rights are all available from our public website and are provided to the customer during the online sign-up process.
- ✓ Follow the online ordering process detailed on page 7 of this IBO Customer Acquisition Code.

Again, all of this information is provided to you, and to the customer, via your ACN Personal IBO Website.

You must not...

- ✗ Sign-up a customer without their knowledge and their acceptance. This is slamming. The customer must sign themselves up.
- ✗ Use coercion, undue harassment, physical force, or aggressive hard selling methods in connection with the supply or possible supply of ACN Agency products and services.
- ✗ Ignore requests to leave or engage in unwanted and persistent contact (in person, by correspondence or by phone or electronic communication) with the customer.
- ✗ Misrepresent the quality, price or features of ACN Agency products and services
- ✗ Mislead the customer when discussing the products and services or when promoting the ACN Opportunity.
- ✗ Misrepresent the nature and profitability of the ACN Opportunity, especially with regard to earnings claims (express or implied) or claims of employment.
- ✗ Take advantage of any misunderstanding or disability on the part of the customer.
- ✗ Complete any customer application for or on behalf of any customer either online or over the phone.
- ✗ Misrepresent the statutory rights of customers and their rights under the ACN Standard Form of Agreement or any ACN Agency product/service agreement.
- ✗ Offer a person any commission or other benefit based on the recruitment of IBOs as an inducement for that person to become an IBO or to purchase products or services.

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- ✗ Claim endorsements, sponsorships or associations that ACN don't have. Remember: ACN has agency agreements with the following suppliers: ADT Security.
- ✗ Do not make savings claims.
ACN's services are competitively priced, however, not all customers will save money – it will always depend on their calling patterns and the plan they choose. Only use general savings claims. Examples are: "You could save", "We are cheaper for many customers", "You may save".
- ✗ Do not compare our prices with the prices of other telecommunications providers.
- ✗ Do not encourage or engage in 'number spinning', where a current customer of an ACN partner is encouraged to cancel their existing service in order to re-initiate service terms via an ACN channel in the interest of awarding remuneration to the IBO.

Common sense goes a long way...

Apply common sense and properly explain in plain language the ACN agency products/services you are representing and provide the customer with clear information in relation to the products/services including pricing and the terms and conditions of the offer. Remember this information is available to you and to the customer via your ACN Personal IBO Website.

Naturally people have questions. If either you or the customer have a question, or are unsure on any point, then prior to the customer completing their application you and/or the customer should contact ACN and obtain clarification.

When the customer is ready to complete their online application you must leave the customer to complete all information and they must submit their application form.

The online ordering process for ACN Agency products and services

This is the online ordering process every ACN IBO must follow.

You must...

1. Market the products/services to your **warm market** in strict accordance with the IBO Customer Acquisition Code and with ACN's Policies and Procedures.
2. Ensure you do not engage in any uninvited direct selling practices, including cold marketing of ACN Agency products and services.
3. Ensure the potential customer is provided with the relevant product offer and materials and any other information required and necessary for them to initiate and complete their online order (e.g. provide your ACN IBO Business ID).
Refer the customer to your Personal IBO Website or visit www.acnpacific.co.nz
4. Ensure that all service coverage, service availability, and product availability checks are completed with the customer.
5. Ensure the customer is fully aware of any minimum service term and of any associated minimum cost to the customer and that the customer is aware of any hardware costs, delivery costs, and/or early termination fees (should the customer choose to end their service agreement before the minimum term or their agreement expires).
6. Inform the customer that you will leave them to initiate the order process. Do not complete the order process for or on behalf of the customer - this is prohibited.
7. Allow the customer to initiate the order process by themselves, after having left their premises to allow them time and space to review the information and decide that they wish to proceed with ordering the ACN service(s).

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8. If the customer has problems or issues with the order process, they may invite you back to help them complete the process.
9. Do not initiate the order process on the customer's behalf – there must be a physical separation between your marketing activity and the customer's decision to proceed with the service order.

Providing incorrect information does not reflect well on your credibility, or on the credibility of IBOs in your organisation. Presenting incorrect information is in violation of our business policies and can also damage the ACN Business Opportunity.

ACN requires every ACN IBO to adhere to the procedures set out in the Customer Acquisition Code, in the ACN IBO Agreement and in ACN's Policies and Procedures.

The benefits of doing the right thing by your customer

You gain satisfied and loyal customers who:

- support and believe in you, your business and in ACN;
- are more likely to remain your customer and to take up additional products and services; and
- become your strongest advocates and supporters and provide you with further business and referrals.

All of this makes for reliable and dependable customer acquisition and therefore growth in your ACN business. Doing the right thing and acting with integrity also brings you closer to realising your true potential and the full potential of the ACN Business Opportunity.

ACN Policies and Procedures Section 1.2.C Customer & IBO Acquisition

Definition of warm marketing

ACN is a network marketing company that is focused solely on relationship or "warm marketing" techniques.

Warm marketing means marketing to those persons or businesses with whom an IBO has a preexisting relationship at the time the marketing of ACN's services or the ACN Opportunity commences.

From the above definition, an IBO's warm market can be broadly described as all persons or businesses with whom they have had personal contact or otherwise have an existing relationship.

A one-off contact with a person in a personal, business or social context unrelated to ACN will be enough for ACN to consider an individual to be part of an IBO's warm market.

Personally known referrals from an IBO's existing warm market are also considered part of an IBO's warm market.

In the event that an IBO owns and is involved in the day to day running of a separate business, the existing clients or customers of that business will be part of the IBO's warm market.

In saying this, the IBO must abide by ACN's other policies, for example: they may not co-promote their ACN business with that of any other business.

Definition of cold marketing

ACN strictly prohibits IBOs from engaging in any cold marketing techniques for purposes of customer acquisition. Cold marketing includes any promotional activity that is geared toward random individuals who have no personal, business, social or acquaintance relationship(s) with the IBO.

Examples of cold marketing include, but are not limited to:

- mass advertising (this includes social media – Facebook, Twitter, Instagram, Youtube, etc),

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- trade show participation,
- door-to-door selling,
- telemarketing,
- pamphlet distribution,
- autodialer usage, etc.

ACN also strictly prohibits the purchase or sale of customers at any time.

ACN will rigorously enforce its 'no cold marketing' policy. Any IBO found to be cold marketing may be suspended or terminated by ACN.

Independently produced marketing material

ACN strictly prohibits, without prior written approval of ACN, and will not authorise marketing materials created by IBOs that:

1. Do not identify the IBO as an "ACN Independent Business Owner"
2. Do not adhere to ACN's policy on use of ACN and ACN Agency partners' logos, names, trademarks, and proprietary information.
3. Make any specific references to ACN and ACN agency partners' service providers with whom ACN works with to provide its products and services.
4. Make any specific references to ACN's or ACN agency partners' plans, rates; or any component of the Compensation Plan.
5. Make any claims or guarantees related to savings, rates or pricing, either expressed or implied.
6. Make any earnings claims or provide any hypothetical earnings calculations, either expressed or implied
7. Represent ACN as an employment opportunity, either expressed or implied.

For more information on acceptable marketing & advertising practices, please refer to the *ACN Policies & Procedures* Section 1.2, the *ACN Marketing and Advertising Guidelines* and the *ACN Social Media guide*.

IBO Customer Acquisition Accreditation

New Zealand IBOs are required to successfully complete the online customer acquisition training and accreditation program provided by ACN available at www.acnpacific.com/nz/cac-quiz

IBOs are required to do so at each of the following times:

- within 30 days of sign-up; and
- within 30 days of annual renewal of their IBO position (for IBO renewal information see section 1.7A of ACN's Policies and Procedures).

Should an IBO fail to successfully complete this accreditation, sanctions will apply.