

CONSUMER ISSUES FOR THE YOUNG



Why You Need to Know

Using your money wisely and making informed decisions will help you get more from your money. If you know how to avoid problems and understand marketplace rules, you can protect yourself from consumer traps. The following information addresses some common issues that young people face in developing good marketplace skills. By planning what you will spend and save, you will be able to reach your financial and consumer goals faster.

How do I use my money wisely?

Money is one of the most important resources you have, and it can cause many problems if not managed properly. You should always:

- Make sure you are not spending more than you are earning
- Recognize that spending wisely increases the value of your income
- Manage your credit well
- Set aside money each month to take care of unexpected expenses and special events such as birthdays, trips, eating out or shopping
- Set financial goals and follow through on them

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For more details on managing your finances, read *Dealing with Credit* and *You and Your Money* in **Reality Choices** at www.cmcweb.ca/awareness.

How do I make a good consumer decision?

Using a planned decision-making process when making choices about buying or saving will help you make the most of your time, money, skills and energy.

Good decision making means that you are happy with what you have bought, and that your decision reflects your values and works toward achieving your goals.

For more information about making good decisions, read “Consumer Decision Making” in this publication.

How can I avoid problems?

When learning about a product or service, one of the best ways to avoid problems is to listen and observe when you are presented with a sales pitch. Take the time to analyze what you see and hear by considering the following:

- The purpose of the information (to inform, entertain, persuade, etc.)
- How much information you have and how much more you need before you can make a decision
- How you can distinguish between fact and fiction
- The difference between the content of a message and the performance of the messenger (a tip-off that something’s up is that the seller is more excited than you are)

Then walk away and try to find out more information. Unscrupulous sellers depend on consumers not asking themselves enough questions about the sales message before buying.

For more information, see the section on advertising below. Also see *Be on Your Guard* in this series for more information on fraud.

How do I find out about marketplace rules?

Understanding the laws related to the transactions you make can save you money and grief. Depending on where you live, legislation covers the following:

- The buyer’s right to cancel certain contracts
- The seller’s obligation to include specific information in contracts
- Misleading or deceptive advertising and unfair business practices
- Standards of conduct for specific industries
- Penalties for businesses that do not comply with legislation

If you would like to find out if a purchase you are making is covered under consumer legislation, contact your provincial or territorial consumer affairs office. Be aware that consumer legislation does not cover every transaction and that the consumer is not always right.

For more information, see “Where to Get Help and Information” in the next section. Also see *Shopping* in this series.

Why should I plan what I spend and save?

Setting goals helps you set priorities where you want to spend your resources of time, money, skills and energy. For goals to really work, they must be measurable and achievable. Consider writing down the following:

- What you need and want in the next few months, in the next year and in the more distant future
- How you will know when you have reached your goals
- How much your goals will cost
- When you want them to happen
- What you have to do to make them happen (e.g. will you need to change your spending and saving patterns?)

Setting goals is also part of making a good decision. These are tough questions that will take some thought. For more information see the “Consumer Decision Making” section. Also go to *You and Your Money* in **Reality Choices** at www.cmcweb.ca/awareness to learn more about setting goals.



Where to Get Help and Information

An informed consumer is one who knows where to find reliable information. The following websites offer information about legislation, products, services and frauds, and where you can turn to for help with your particular consumer issue.

Provincial and Territorial Information

To contact your provincial or territorial consumer affairs office, see the following list.

Provincial and Territorial Governments

Alberta

Alberta Government Services
Consumer Services Branch
Tel.: 780-427-4088
(Edmonton and area)
Toll Free: 1-877-427-4088
(Alberta only)
Email: government.services@gov.ab.ca
Website: www.governmentservices.gov.ab.ca

Manitoba

Manitoba Finance Consumer and
Corporate Affairs Division
Consumers' Bureau
Tel.: 204-945-3800
Toll Free: 1-800-782-0067
Fax: 204-945-0728
Email: consumersbureau@gov.mb.ca
Website: www.gov.mb.ca/finance/cca/consumb

Newfoundland and Labrador

Trade Practices and
Licencing Division
Department of Government
Services
Tel.: 709-729-2660
Fax: 709-729-3205
Website: www.gs.gov.nl.ca/cca/tpl/

British Columbia

Business Practices and
Consumer Protection Authority
Tel.: 604-320-1667
Toll free: 1-888-564-9963
Fax: 250- 920-7181
Email: info@bpcpa.ca
Website: www.bpcpa.ca

New Brunswick

Rentalsman and Consumer Affairs
Department of Justice
Tel.: 506-453-2682
Fax: 506-444-4494
Website: www.gnb.ca/justice

Northwest Territories

Consumer Affairs
Municipal and Community Affairs
Tel.: 867-873-7125
Fax: 867-873-0609
Email: michael-gagnon@gov.nt.ca
Website: www.maca.gov.nt.ca

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Nova Scotia

Service Nova Scotia and
Municipal Relations
Tel.: 902-424-5200
Toll Free: 1-800-670-4357
Fax: 902-424-0720
Email: askus@gov.ns.ca
Website: www.gov.ns.ca/snsmr

Nunavut

Consumer Affairs
Community and Government
Services
Tel.: 867-793-3303
Toll Free: 1-866-223-8139
Fax: 867-793-3321
Website:
www.gov.nu.ca/Nunavut/English/departments/CGT/

Ontario

Ministry of Government Services
Tel.: 416-326-8800
Toll Free: 1-800-889-9768
Fax: 416-326-8665
TTY: 416-325-3408
TTY Toll free: 1-800-268-7095
Email: cbsinfo@cbs.gov.on.ca
Website: www.cbs.gov.on.ca

Prince Edward Island

Consumer, Corporate and
Insurance Division
Office of the Attorney General
Tel.: 902-368-4550
Toll Free: 1-800-658-1799
Fax: 902-368-5283
Website:
www.gov.pe.ca/oag/ccaid-info/index.php3

Quebec

Office de la protection
du consommateur
Toll free: 1-888-OPC-ALLO
(1-888-672-2556)
Fax: 418-528-0976
Website: www.opc.gouv.qc.ca

Saskatchewan

Consumer Protection Branch
Saskatchewan
Department of Justice
Tel.: 306-787-5550
Toll Free: 1-888-374-4636
(Saskatchewan only)
Fax: 306-787-9779
Email:
consumerprotection@justice.gov.sk.ca
Website: www.saskjustice.gov.sk.ca

Yukon

Department of
Community Services
Consumer and Safety Services
Tel.: 867-667-5111
Toll Free: 1-800-661-0408
Fax: 867-667-3609
Email: consumer@gov.yk.ca
Website: www.community.gov.yk.ca
The Andrew Philipson Law Centre
Tel.: 867-667-5111

Provinces and territories have jurisdiction over most consumer contracts. Your province or territory could also have specific legislation governing travel services, collection agencies, door-to-door sales and cost-of-credit disclosure.

Your provincial or territorial consumer affairs office can also direct you to other government departments or agencies that can help with your questions or problems.

Canada-Wide Information

Multi-Purpose Sites

(www.ConsumerInformation.ca) has links to reliable information on consumer products and services, complaints, fraud, health, housing, the Internet, money, travel, transportation and more. Provided is information from federal, provincial and territorial governments and from non-governmental organizations. Also check out the *Know Your Rights* tool for provincial and federal consumer legislation.

The *Canadian Consumer Handbook* (www.consumer.ic.gc.ca/handbook) offers an overview of common consumer issues and sources of help.

Reality Choices (www.cmcweb.ca/awareness) offers a series of guides for young people leaving home for the first time. These guides have information about money management, credit, buying a vehicle, renting or buying housing, and general shopping skills.

Topic-Specific Sites

Do you have questions about **identity theft**? Do you think you might be a victim? Recognize it, report it and stop it. Check out the *Identity Theft Kit* (www.cmcweb.ca/idtheft) online for information about protecting yourself and what to do if your identity has been stolen. Also see *Be on Your Guard* in this series.

As well, check out PhoneBusters (www.phonebusters.com), the Canadian anti-fraud call centre, for more information about identity theft as well as telemarketing fraud, advance-fee fraud letters (Nigerian letters) and other types of fraud.

Report **Internet fraud** online to the appropriate agency by visiting Reporting Economic Crime On-Line (www.recol.ca).

Have questions about consumer **product recalls**? For links to information about various recalls, visit (www.ConsumerInformation.ca).

Have questions or complaints about **banking, life and health insurance, general insurance, securities or mutual fund products and services**? The Financial Services OmbudsNetwork (www.cfson.ca) provides help through information and referrals. Visit the website or call 1-866-538-3766 (toll-free).

For consumer information about **financial services**, visit the Financial Consumer Agency of Canada at www.fcac.gc.ca.

Looking for **business reliability reports**? Contact the Better Business Bureau (www.canadiancouncilbbb.ca) in your area to find out if they have received any complaints about a company.

Are you **travelling outside of Canada**? Foreign Affairs Canada's Consular Affairs (www.voyage.gc.ca) has up-to-date information about countries, customs, travel documents and more. Also, Canada Border Services Agency (www.cbsa-asfc.gc.ca/travel/menu-e.html) gives more information about services for travellers.

Looking for information about **automobile, home or tenant's insurance**? Visit the Insurance Bureau of Canada (www.ibc.ca) or the Canada Mortgage and Housing Corporation (www.cmhc.ca).

For information on **misleading advertising** and **telemarketing** go to the Competition Bureau at www.competitionbureau.gc.ca.

3 Consumer Decision Making

Decisions are an unavoidable part of daily life. How do I know what makes the difference between good and bad consumer decisions?

A good decision reflects your values and works toward achieving one of your goals. Good decisions also come as a result of taking the time to get the information you need to examine all of the possible choices and their consequences. Some decisions may not turn out well when you are rushed or overwhelmed with the number of choices available, or when you do not have enough information.

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About Values and Goals

Values are the principles and beliefs that are important to you, such as friendship, security, learning, health, honesty and financial security. Values guide you as you identify the goals you want to achieve.

Goals are the plans you make to put your values into action. If financial security is important, one goal could be to have money set aside as a safety net for unexpected expenses. Setting goals is the best method to make sure you get what you want. It helps you decide what you want to do and how you are going to do it.

Values and goals act as a filter for your decisions. If you have not identified your values and goals, you can be confused by available choices.

Your goals should be specific: what exactly do you want to do, when do you want to do it by, and how will it affect your personal resources? Make sure your goals are achievable. If your overall goal is not realistic right now, can you set a smaller goal that will move you one step closer to the overall goal? Getting started is vital.

Make a list of your values and goals:

Values
Example: Independence

Goals
Examples: Buy a car within one year.
Move into my own apartment within 2–3 years.

Resources

We all have limited personal resources of time, money, energy and skills. Consumer decision making is about distributing these resources. Money is the most vital resource; therefore, the types of decisions you make will depend on how much money you have available, how much you want to spend, and what else you could spend the money on. If you do not have a lot of money available, learning how to make consumer decisions is critical.

Types of Decisions

Here are examples of different types of decisions:

- **Automatic:** *A routine decision or one made out of habit.*
Putting aside the same amount of money in savings every payday.
- **Default:** *A decision made due to a lack of other options.*
Choosing one brand because you do not recognize any of the others.
- **Irrational:** *A decision made without reason or logic.*
Buying a new electronic gadget because your friend has the same one.
- **Planned:** *A well thought-out, intended decision.*
Purchasing a new electronic gadget after you have identified what you want, looked at the options and considered the consequences of your decision.

How to Make a Planned Decision

If you make a planned decision, you can be sure that you have made the best decision possible under the circumstances. Planned decision making allows you to spend your personal resources on goods and activities that will give the best payoff for you.

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To make a planned decision, follow the chart below:

1. Identify your goal. Be sure to ask what, when, where, and why.

- What is my goal?
- When will I achieve my goal?
- Where do I go for information?
- Why have I chosen this goal?
- What resources (e.g. money) will I need to reach my goal?

2. Gather information and determine how you are going to evaluate it.

I will evaluate information by:

- measuring the feasibility of my choices
- comparing costs
- prioritising my requirements and my preferences
- ranking my options according to my needs
- other

3. Identify possible choices. Identify the consequences of each.

Choice 1:

Consequences:

Choice 2:

Consequences:

Choice 3:

Consequences:

4. Decide which choice is best for you. Take action on your decision.

5. Evaluate your decision.

- Was it a good decision?
- Did you get enough information?
- What would you do differently next time?

4 Advertising

Most of us like to think that we are immune to the effects of advertising. The trouble is that we may not be aware of all the messages that are reaching us. The volume and variety of ads in today's world make it difficult to avoid their influence. When making a purchase decision, the challenge is to make sure that you — not the advertising — are the one making the decision.

Advertisers try to influence how, what, where and why you buy. Have you ever changed your behaviour because of advertising?

Ads can provide information, promote activities, suggest changes in behaviour, and promote various causes. Advertisers use a variety of techniques to appeal to you. If you are aware of these techniques, you can see through them and look beyond the message to evaluate the product or service based on your own needs.

On the surface, ads sell products and services. Below the surface, they sell an image of yourself or an image of what your life could be like if you buy or use the product or service. By using images and even myths that target your needs, advertisers create personalities for products that you can identify with. Emotional ads catch your eye, your ear and your money. Advertisers try to appeal to one or more of your needs in their messages.

Although you may understand that advertisements try to influence consumers, you should always ask yourself the following questions before buying into an advertisement:

- Does the ad present fact or opinion?
- Do I really want this product? Will I actually enjoy it as much as they say?
- Does the product fit my values, goals and lifestyle?
- What is the appeal of the ad?
- What is the ad trying to sell — a product or a lifestyle?

These questions can help you separate facts from persuasive techniques and will make you a better-informed consumer.

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Advertising Quiz

Try taking this quiz to test your knowledge of advertising:

- 1.** You probably think that you can recognize an ad when you see one. Or can you? Listed are three techniques a company may use to advertise. Put an X beside any of the techniques you have seen used in advertising in the past week and write down the name of the product it was used to promote.

A. Show a movie character using a specific product. _____

(E.g.: A movie star promoting a new beverage.)

B. Have a company's logo on a school calendar. _____

C. Have star athletes wear a company's clothing line. _____

- 2.** Advertising is important because it makes you aware of new products. But it can also mislead you. Can you identify some of the pros and cons of advertising?

Pros:	Cons:

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3. By using images that appeal to your emotions, advertisers try to sell products by relating your feelings to your needs. Identify which emotions you feel when you see the following images:

Advertising Image	Related Emotion
Example: Happy family scene	Sense of belonging, comfort, happiness...
A. A person smiling and jumping.	
B. A group of friends laughing and talking together.	
C. A group of friends walking away from one person.	
D. A child having a temper tantrum.	

4. It is against the law for advertisers to mislead consumers, but ads can use words or phrases that leave a positive impression without giving solid information. These are called evasive words or phrases. Based on the examples below, can you list some evasive words or phrases used in advertising?

Examples	
	<ul style="list-style-type: none"> • Will make stains virtually disappear. • Studies show that eating this product is healthy for you.
A.	
B.	
C.	
D.	
E.	

5. Statements about products often create only the illusion of a benefit. If you examine an advertising claim closely, you'll realize it often doesn't mean anything. Watch for these:

- The question claim: "What could be more natural?"
- The pseudo-scientific claim: "Super product with XYZ."
- The unrelated claim: "Cleans your laundry and smells April fresh."
- The non-informative claim: "Twice as much as recommended."

Can you give another example for each type of claim?

A. Question claim: _____

B. Pseudo-scientific claim: _____

C. Unrelated claim: _____

D. Non-informative claim: _____

Answers to Advertising Quiz

1) Personal examples.

2) Pros

- Makes you aware of new products.
- Suggests new uses for existing products.
- Pays for the cost of magazines, newspapers, television and radio programs, and websites.
- Increases the demand for products, which may eventually reduce their price.

Cons

- Adds to the cost of product distribution.
- Can be misleading.
- Can create confusion between things you need and things you want.
- Can influence your decision negatively.

- 3) A. Feeling good, happiness, joy
B. Belonging and acceptance
C. Rejection, anger, sadness
D. Guilt, frustration, annoyance
- 4) A. “The look and feel of...”
B. “Up to...”
C. “For a limited time only...”
D. “Only...”
E. “Just like...”
- 5) A. Question claim: “What could be better?”
B. Pseudo-scientific claim: “Will melt the pounds away and includes ingredients x, y and z.”
C. Unrelated claim: “Removes most stains from carpets and will not dry your hands!”
D. Non-informative claim: “Just like Grandma used to make.”

More Information

Advertising Standards Canada (ASC) administers the *Canadian Code of Advertising Standards* (available at www.adstandards.com) and handles complaints from consumers about misleading advertising. It has a special code for advertising to children, in addition to gender portrayal guidelines. If you feel strongly about an ad, tell ASC. You may also consult Media Awareness Network (www.media-awareness.ca). They promote critical thinking about the media in young people.

You can also visit the Competition Bureau’s website (www.competitionbureau.gc.ca) or report a complaint on misleading advertising at 1-800-348 5358.

The Province of Quebec’s Office de la protection du consommateur (www.opc.gouv.qc.ca) offers additional information in French.

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Consumer protection remains an important part of the federal, provincial and territorial governments' agenda. In a spirit of co-operation and to improve efficiency on the consumer front, the Consumer Measures Committee (CMC) was created under Chapter Eight of the Agreement on Internal Trade. The Consumer Measures Committee has a representative from the federal government as well as every province and territory. The CMC provides a federal–provincial–territorial forum for national co-operation to improve the marketplace for Canadian consumers, through harmonization of laws, regulations and practices and through actions to raise public awareness.

