

## Submission to the ACCC Customer loyalty schemes review

I welcome this review. Ultimately what it comes down to is that people are being offered financial inducements to give up their privacy. This is particularly so for retail chains that operate member benefit/discount schemes. I find this very troubling.

As the review committee would well know retail chains such as Kathmandu, Anaconda, MainPeak, Friendlies Pharmacy (to name just a few) give discounts of 10% to 20% and sometimes as much as 50% on special items to 'club' members. Accordingly, people wishing to retain their privacy, by not being members of the benefit scheme, have to pay a financial penalty. The penalty may be quite punitive, perhaps as much as \$100 on major items.

I would like the review to consider in detail the following:

- Why should it be legal for a retail operator to charge more for a product if a customer wishes to retain their privacy? People should not have to pay to keep their privacy!
- For a retail operator to operate a member benefit/discount scheme the customer's membership details have to be instantly available at every till in every store of the retail chain. Clearly, there cannot be any meaningful security for customers' personal data.
- The draft report does not appear to consider the implications for consumers under the age of 18. Should retail chains be allowed to enroll children into member benefit schemes? Clearly no. If children cannot be members of a benefit scheme then does this mean they suffer a potential financial penalty when making purchases simply because of their age?
- Should loyalty schemes be allowed at all? The potential harm to consumers through loss of privacy, loss of control of their personal data, and potential identity theft is very high. Indeed, this is inevitable. Reports of privacy breaches of major corporations are now routine. When the harm occurs there is no remedy.

Yours sincerely,

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