



MEDIA RELEASE

Thursday, 10 July 2008

CONSUMER ACTION SEEKS ORDERS AGAINST SPRUIKER OF ONLINE GAMBLING SOFTWARE

Consumer Action Law Centre (**Consumer Action**) has instituted legal proceedings in the Victorian Civil and Administrative Tribunal (the **Tribunal**) against Reliance Investment Services Pty Ltd (**Reliance**), a spruiker of computer gambling software.

Reliance markets and sells a computer software betting/investment program called Strategy One. Similar betting/investment programs have in the past been targeted by the Australian Competition and Consumer Commission after numerous complaints from purchasers.

Consumer Action is acting on behalf of a Coburg resident, who responded to an advertisement from Reliance in his local newspaper. After speaking to a customer representative, Consumer Action's client paid \$6,600 for the program and related services, as well as depositing \$1,000 in a 'trading account'.

Consumer Action is alleging that Reliance, through the conduct of its salesperson, breached the *Fair Trading Act 1999* (Vic) by representing that:

- The consumer would receive a profit of 20% on his investment; and
- The consumer would earn funds in excess of the purchase price within 55 days.

Consumer Action is also alleging that Reliance's standard form contract contains unfair contract terms in breach of the *Fair Trading Act*.

"The salesperson's representations are of great concern to us," said Consumer Action lawyer Lauren Walker, "these gambling systems are by nature very high risk, and Reliance has produced no evidence to back up their claims of high returns and immediate profits. The promotional material introduces the systems as an investment, when in fact it is really just gambling."

"Gambling is based on chance whether there is a computer system helping or not" she said. "People who use these systems can lose large sums of money".

Consumer Action is warning all consumers against purchasing computer gambling/investment products. The hearing at the Tribunal is set down for Friday 11 June 2008.

Media Contact: Gerard Brody, Director–Policy & Campaigns 03 9670 5088 or 0415 223 211

Consumer Action Law Centre
Level 7, 459 Little Collins Street
Melbourne Victoria 3000

Telephone 03 9670 5088
Facsimile 03 9629 6898

info@consumeraction.org.au
www.consumeraction.org.au