

13 December 2024

Director, Consumer Policy Unit Market Conduct Division, The Treasury Langton Crescent, PARKES ACT 2600

by email: consumerlaw@treasury.gov.au

Dear Sir/Madam,

Response to Unfair Trading Practices - Supplementary Consultation Paper

Thank you for the opportunity to provide feedback on the Treasury's proposal addressing unfair trading practices impacting Australian consumers.

Pet Circle is an e-commerce retailer operating a direct-to-consumer model to deliver pet food and other pet products to consumers on a transactional and on recurring basis. We refer to the latter as our "Auto-Delivery" offering. This submission is not intended to serve as comprehensive commentary on the proposed reforms outlined in the consultation paper. Rather, we would like to highlight the value and convenience our customers receive from our Auto-Delivery offering.

At Pet Circle, we support measures that enhance consumer protection, including those regarding subscription-related practices. We have specifically designed our Auto-Delivery offering so that Pet Circle customers can easily adjust delivery frequencies, skip deliveries, or pause or cancel their subscriptions as their needs change. This flexibility ensures they receive products only when required, preventing unnecessary accumulation and waste.

Our ability to meet customer expectations relies on complex operational processes including procurement, production, packing, and distribution, and the predictability and stability of order volumes. Although we prioritise flexibility and transparency for our customers, a level of subscription predictability allows us to optimise our operations and offer better value and service. We prioritise a positive customer experience to minimise the risk of unintentional subscriptions. The regular delivery of physical goods to our customers' doorsteps serves as a tangible reminder of their Auto-delivery arrangements, which reduces the likelihood of an unnoticed or unwanted renewal.

Our view is that any proposed regulatory framework should be applied with careful consideration of the unique characteristics of different subscription categories, particularly where they relate to the delivery of physical goods. A "one-size-fits-all" approach could inadvertently hinder legitimate business practices that benefit consumers. Using Option 2 as an example, many of our customers have multiple recurring delivery schedules established with us and we provide regular updates to those Auto-Delivery customers on the status of their current and future orders. Additional notifications could create unwelcome noise and confusion for consumers.

We are committed to supporting measures that enhance consumer protection and contribute to a fair and competitive marketplace. We welcome the opportunity to discuss the proposed reforms and our industry's unique characteristics.

Sincerely,

Michael Frizell
CEO - Pet Circle