

# DOs and DON'Ts IN DIRECT SELLING

This is the summary of the key principles of the Direct Selling Code protecting the Consumer and Direct Seller. The Code is a measure of self-regulation as developed by Seldia which all Seldia members are obliged to follow.

**seldia**

The European  
Direct Selling Association

## Preamble

*Seldia has adopted this Code of Conduct in order to ensure that the relationships between companies, direct sellers and consumers are based on trust and fairness.*

*The provisions of the Code are not law but may go beyond the legislation in force. Seldia member companies are obliged to adopt and enforce this Code of Conduct as a condition of admission and continuing membership of Seldia.*

*28 national Direct Selling Associations in Europe are members of Seldia. Each of them is committed to incorporate the substance of the provisions of this Code into its own national code.*

*Any company which is a member of one of those national Direct Selling Associations is committed to requiring its direct sellers to follow the standards of the relevant national code and thus also the standards of the Seldia Code of Conduct.*



## Conduct towards consumers

*As a consumer, I can expect:*

### 01 Transparency

From the beginning of the contact with a consumer, direct sellers shall give consumer the information required by law (European Consumer Rights Directive).

### 02 Right of withdrawal and Return of Goods

Direct Seller must inform consumers about their right of withdrawal (14 days), during which consumer has the right to obtain reimbursement of any payment or goods traded in.

### 03 Guarantee and After-Sales Service

Terms of a guarantee or a warranty, details and limitation of after-sales service, the name and address of the guarantor, the duration of the guarantee and the remedial action open to the purchaser shall be clearly set out in the order form or other accompanying literature or provided with the product.

### 04 Respect to privacy

Direct Sellers must not make contacts with consumers at times and in manners that are intrusive.  
Direct Sellers shall take appropriate steps to ensure the protection of all private information provided by actual or prospective customers.

### 05 Fairness

Direct sellers shall not abuse the trust of individual consumers and shall respect the lack of commercial experience of consumers.

Direct Sellers shall not exploit a consumer's age, illness, mental or physical infirmity, credulity, lack of understanding or lack of language knowledge.

Companies and direct sellers shall refrain from using comparisons which are likely to mislead or which are incompatible with principles of fair competition. Their conduct must be in line with European law.

### 06 Performance

Any order shall be executed as quickly as possible, in any case within 30 days from the day following that on which the consumer signs the order, unless the parties have agreed otherwise.

Consumers shall be informed if companies or direct sellers are unable to perform their side of the contract on the grounds that the products ordered are unavailable.

### 07 Free Consumer Redress

Consumers are granted with a mediation procedure which is free of charge in case of complaints unresolved with a direct selling company.





## Conduct towards direct sellers

*As a Direct Seller, I can expect:*

### 01 Fair Recruiting

Companies and direct sellers shall not use misleading deceptive or unfair recruiting practices in their interaction with prospective or existing Direct Sellers.

### 02 Transparency

Information provided by the company to its direct sellers and to prospective direct sellers concerning the opportunity and related rights, obligations, typical costs and expenses shall be accurate and complete. Companies shall not present the advantages of the selling opportunity to any prospective recruit in a false or deceptive manner.

### 03 Realistic and accurate earnings

Companies and direct sellers shall not misrepresent the actual or potential sales or earnings of their direct sellers. Indications given to potential direct sellers as to earning expectations shall be realistic and accurate. Earning claims and all advantages of the business opportunity must be factual and documented.

### 04 Reasonable fees

The initial investment of fee to enter the business opportunity must be reasonable. Companies shall prohibit Direct Sellers from marketing or requiring the purchase by others of any materials that are inconsistent with Company policies and procedures

### 05 Respect of privacy

Companies and direct sellers shall contact direct sellers only in a reasonable manner and during reasonable hours while taking appropriate steps to ensure that all private information is protected.

### 06 Right of withdrawal

The direct seller shall have a period of at least 14 calendar days in which to withdraw from his membership agreement without penalty and without giving any reason.

### 07 Buy back guarantee

When a Direct Seller stops his/her business, company shall buy back all unsold but saleable products purchased by the direct seller within the previous twelve months. The Direct Seller shall receive a minimum of 90% of the purchase. A company shall not require or encourage direct sellers to purchase a product inventory in unreasonably large amounts.

### 08 Education and Training

Companies shall provide adequate education and training to enable direct sellers to operate ethically, including information on the applicable codes of ethics and on the market concerned and the product. Trainings shall be conducted free of charge or at a reasonable price.

National codes can be obtained from the following associations members of Seldia:



*The principles of the Codes outlined in this leaflet are implemented in codes adopted by each national Direct Selling Association and integrate both these principles and specific national requirements.*

The full text of Seldia's European Codes of Conduct is available from:



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