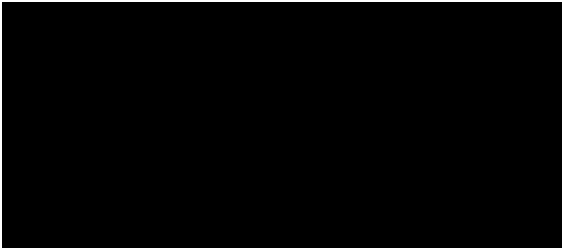


29 May 2024



Official Information Act #23.247 – Response

1. We refer to your request received on 3 May 2024 for information about USANA Health Sciences New Zealand (USANA). Specifically, you requested information about:
 - 1.1 USANA's registration and authorisation to operate in New Zealand;
 - 1.2 any complaints or investigations that the Commerce Commission (the Commission) may have received regarding USANA's business practices; and
 - 1.3 the Commission's assessment of USANA's compliance with consumer protection laws, including those related to advertising, sales practices and product quality.
2. We have treated your request at [1.2] as a request for information under the Official Information Act 1982 (OIA).

Our response

Number of complaints or investigations

3. In response to your request at [1.2], we have searched our database for relevant complaints and can advise that the Commission has received three complaints concerning USANA as at 3 May 2024. The complainants were concerned USANA was a multi-level marketing (MLM) scheme. The Commission has not opened any investigations into USANA.

4. At this stage, the Commission has decided to take no further action in relation to the complaints (NFA).¹

The Commission's complaint process

5. The Commission receives thousands of complaints each year. Each complaint is initially assessed by the Screening and Analysis Team on the basis of the information available at that time. When conducting this initial assessment, the Screening and Analysis Team considers:
 - 5.1 the likelihood of a breach of the relevant legislation (the Fair Trading Act 1986, Credit Contracts and Consumer Finance Act 2003, and the Commerce Act 1986);
 - 5.2 the Commission's Enforcement Response Guidelines;² and
 - 5.3 the Commission's strategic priorities and resourcing constraints.
6. The Commission has the power to act on complaints but is not required to take action in relation to all possible breaches of the legislation that we enforce.
7. If a complaint is appropriate for further consideration, it is reviewed by a panel of managers and subject matter experts from within the Competition, Fair Trading and Credit Branches. The panel decides which complaints are to be prioritised for further assessment by the Branch with reference to our Enforcement Response Model.³
8. This process enables us to identify complaints that best reflect our current enforcement priorities.⁴ The outcomes of the process are not final and we may revisit any complaint at a later stage, should we wish to reconsider the issues it presents.
9. We value all information received and will keep the information you have provided in our complaint database. We use our database to identify business practices concern and to help us decide what to investigate in the future.

¹ The Commission may decide not to take further action in relation to a complaint for a number of reasons. These reasons include, but are not limited to, circumstances where we consider the complaint is better suited to private action by the complainant, the complaint is subject to the jurisdiction of another agency, or where there is no clear breach of the law. However, each complaint and enquiry provides information that is valuable to the Commission. This contributes to future priorities, potential issues for us to watch closely or emerging issues to refer to our policy agency, MBIE. In this regard, we will monitor complaints on information we receive as we look to future prioritisation.

² Available at: <http://www.comcom.govt.nz/the-commission/commission-policies/enforcement-response-guidelines/>

³ Our Enforcement Response Model is discussed in more detail from page 3 of the Commission's Enforcement Response Guidelines, available here: https://comcom.govt.nz/_data/assets/pdf_file/0030/62589/Enforcement-Response-Guidelines-October-2013.pdf.

⁴ For further information, see: <http://www.comcom.govt.nz/the-commission/commission-policies/enforcement-criteria/>

USANA is a registered NZ Company

10. In response to your query at [1.1], [USANA Health Sciences \(NZ\) Corporation](#) is a registered New Zealand Company. The Commission does not hold any information regarding USANA's registration or authority to operate in New Zealand.

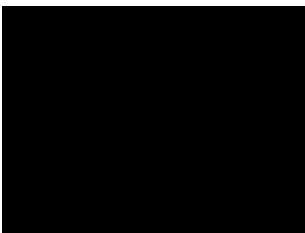
USANA's compliance with consumer protection laws

11. In response to your query at [1.3], as noted above, the Commission has received three complaints about USANA.⁵ Based on the information provided, the decision at that time was to take no further action. The Commission has therefore not formed any view on USANA's compliance with consumer protection laws.
12. We note that genuine MLM schemes are not prohibited in New Zealand, unlike pyramid schemes which are prohibited under the Fair Trading Act 1986. You can find more information about pyramid schemes and the differences from MLM schemes on our website.⁶
13. If you wish to make a complaint, you can use our webform,⁷ call us on 0800 943 600 or email contact@comcom.govt.nz. You can find further information about the complaints process on our website.⁸

Further information

14. Please note the Commission will be publishing this response to your request on its website. Your personal details will be redacted from the published response.
15. Please do not hesitate to contact us at oja@comcom.govt.nz if you have any questions about this response.

Yours sincerely



OIA and Information Coordinator

⁵ One in each of the years 2021, 2015 and 2014.

⁶ Pyramid selling schemes: https://comcom.govt.nz/_data/assets/pdf_file/0022/100768/Pyramid-selling-schemes-and-referral-selling-Fact-sheet-September-2019.pdf

⁷ <https://comcom.govt.nz/make-a-complaint>

⁸ <https://comcom.govt.nz/make-a-complaint/complaint-process>