



Multi-level marketing companies: A Warning to Uni students!

Example

I was offered an opportunity by my uni friend to increase my personal network if I participated in a specific organization. I met a rep from the organization and was told that if I became a member of the organization and recruited new members, I would possibly get lots of benefits which may lead to future success. It sounded very tempting. He told me to buy an asset management software to start with, which was worth 500,000 yen.

I turned down his invite because I didn't have that much money, however, he told me to borrow money from a consumer loan company under a false age and occupation. I took his advice and borrowed money to buy the product in the end. Later, a different friend of mine, who had been offered the same opportunity earlier, pointed out that the organization may have been dubious. You get incentivized to recruit others to join the organization and, when they buy the products through your referral.

I'd like to cancel the contract.

(19 year old, Male)



Tips –How to protect yourself from MLMs

- MLM companies have allegedly targeted uni students who have difficulties getting a job for recruitment. They often tell you that "you will broaden your personal network" or "you will become rich" and talk you into purchasing an asset management software or business training sessions.
- One of the characteristics of the MLMs is that you recruit your friends or acquaintances who you have met through SNS. When they buy the product through your referral, you get a commission.

- Turn down your friend's MLM invite. Remember that inviting your friends to an MLM company may strain your relationship with them.
- In some cases, they talk you into borrowing money from a consumer loan company to buy the products. This may result in multiple debts.
- When you have an issue with MLMs, contact your municipal consumer service center to get help.

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