

MEDIA RELEASE

The Commissioner of Consumer Affairs

19 March 2014

WAS/NOW PRICING CLAIMS A FOCUS FOR FAIR TRADING AGENCIES

Australian consumer protection agencies, including Northern Territory Consumer Affairs are advising retailers to ensure that their pricing claims are not misleading to their customers.

Retailers who advertise discounted goods with 'was/now' pricing will be targeted by the Northern Territory Consumer Affairs as part of a nationwide compliance operation.

The Commissioner Gary Clements said retailers will be called upon to substantiate their claims about discounts in was/now advertising.

"Was/now pricing, also known as 'strike through' or 'two-price' advertising is where a business advertises that a product was a certain price but is now on sale for a discounted price," Mr Clements said.

"Businesses often advertise a specific saving on a product in comparison to its previous non-sale price, wholesale price, a competitor's price or recommended retail price (RRP).

Consumers need to be able to trust an advertisement as a true representation of the saving on offer.

For example, stating that a product was \$100 and is now \$50 is misleading, and illegal, if that product was never previously offered for sale for a reasonable period for \$100.

These type of advertisements can also be considered misleading if the 'was' price wasn't a true offer, for example, if only a limited amount of the product were on offer at the higher price immediately before the sale began.

Consumer Affairs will be visiting businesses around the Northern Territory to make sure they are not misleading consumers with was/now pricing.

We will be on the look-out for bait advertising, pricing which is misleading or deceptive, overcharging and instances where the original cost, RRP or saving amount has been inflated or wasn't a true offer".

“Our aim is to make both businesses and consumers more aware of their rights and obligations under the Australian Consumer Law (ACL) regarding was/now pricing.”

For more information about was/now pricing or the ACL, visit www.consumeraffairs.nt.gov.au or call 1800 019 319