

GIFT CARDS AND VOUCHERS

Gift cards or vouchers can be the ideal gift but it is essential for the buyer and recipient to fully understand the terms and conditions. Important, new national gift card laws were introduced on 1 November 2019 to provide better protections for gift cards and vouchers. From 1 November 2019, all gift cards and vouchers sold must be valid for at least three years. The expiry date must be clearly shown. If the card has an earlier expiry date written on it, consumers will still get the mandatory three-year period.

Check the expiry date on your gift card carefully, as those supplied before 1 November 2019 are not required to be honoured past their current expiry date.

BUT from 1 November 2019, most gift cards:

- must be valid for at least three years,
- must clearly show the expiry date, and
- can't include any post-supply fees. (please read the Promotional Vouchers section below)

To avoid disappointment, it's important to ask a few simple questions when you buy or receive a gift card or voucher:

- Are there any spending limits?
- Will I receive any change if I don't use the full amount?
- What stores accept the voucher? (Particularly important for shopping centre vouchers)
- Will lost or stolen cards be replaced?
- Can I check how much is left on the voucher (and expiry to use it)?
- Are there any other terms and conditions?

Gift cards or vouchers must:

- not be redeemed for cash unless there is a remaining amount that, in the reasonable opinion of the trader, cannot be conveniently used; and
- be able to be used more than once, if the value of the gift card/voucher is more than the purchase amount.

Expiry

Any gift cards purchased on or after 1 November 2019 must be redeemable for at least 3 years after the day they were purchased or supplied.

Gift cards must show an expiry date

If the expiry date is shown as a period of time it must also include the date it was supplied or purchased, so you can determine the expiry date.

If there is no expiry date, this must be stated on the gift card.

The display requirement does not apply to second-hand gift cards.

The three year requirement does not apply to gift cards that are:

- able to be reloaded or topped up
- donated for promotional reasons
- available only for a specified period
- supplied at a genuine discount
- part of an employee reward program
- second-hand gift cards
- part of a temporary marketing promotion.

Gift cards not to include 'post-supply' fees

Gift cards purchased after 1 November 2019 must not contain post-supply fees. A post-supply fee is a fee or charge the recipient has to pay in relation to the gift card after it has been supplied or purchased.

The post-supply fee requirement does not apply to second hand gift cards.

Post-supply fees do not include fees and charges that:

- are booking fees, where those booking fees are the same, or substantially the same, as fees or charges for making a booking using a payment method other than a gift card;
- are for exchanging currencies;
- relate to the reissue of a gift card that has been lost, stolen or damaged; and
- are payment surcharges.

If you believe a business is not complying with the terms of a gift card or voucher, please contact us here at NT Consumer Affairs.

Company changes owners

If a business changes owners, the new owner does not have to honour existing gift cards and vouchers. However, they may do so if the business was:

- sold as a 'going concern' (in other words the assets and liabilities of the business were sold by the previous owner to the new owner); or
- previously owned by a company rather than an individual, and the new owner purchased the shares in the company.

If the new owner refuses to honour a gift card in these circumstances, consumers can contact us here at NT Consumer Affairs.

Company goes out of business

If the company operating the business has been liquidated, the new owner may have only purchased the assets of the business and is not obliged to honour existing gift cards. In this situation, the consumer becomes an 'unsecured creditor' of the previous company.

Is a chargeback possible?

If you are unable to use a gift card because of changes in the business or if it is lost or stolen and you bought the gift card with a credit card, you may be able to receive a chargeback from your bank. Check with your bank about their purchase security insurance. Terms and conditions will apply, for example, you may need to make a claim within a certain time frame and provide proof of purchase.

Trader fines and penalties

The maximum penalty for a breach of the rules for gift cards is \$30 000 for a body corporate and \$6 000 for an individual.

NT Consumer Affairs can issue an infringement notice where they have reasonable grounds to believe a breach of the gift card provisions has occurred. The infringement notice penalty for the gift card provisions is 11 penalty units. Find out more about Northern Territory Government penalty units [here](#).

Promotional vouchers and discount coupons

A business may offer discounts or free entitlements through a book of coupons or vouchers – provided consumers know exactly what they are purchasing.

The supplier cannot:

- mislead you about the nature, characteristics, suitability for purpose, and quantity of goods or services
- leave out information – for example, failing to disclose that a 'free' offer is actually conditional on another purchase.

Free voucher books are still subject to the [Australian Consumer Law](#).

Voucher or coupon books

Before committing to buy a book of vouchers or coupons, ask yourself:

- How many coupons do I need to use before I recoup what I have spent on the book?
- Which businesses are involved? Do I want what they sell, and are they local?
- How do I know the businesses will honour the coupons?
- Am I confident the businesses will still exist by the time I get around to using their coupons?
- What conditions apply? (Such as how many you can use at one time/purchase, can discounts apply on sale items, are they able to be used online etc)
- Are there restrictions on when coupons can be used (for example, only 'off-peak'), or expiry dates?
- Are 'free' offers actually free of charge, or 'buy one get one free'?