

# Media Release

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## WAS/NOW PRICING CLAIMS UNDER SPOTLIGHT

South Australia's consumer watchdog is joining consumer protection agencies across the country to crackdown on misleading retail pricing claims.

Retailers who advertise discounted goods with 'was/now' pricing will be targeted by Consumer and Business Services (CBS) as part of a nationwide compliance operation.

Commissioner for Consumer Affairs Paul White 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 White 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 savings on offer.

"For example, stating that a product 'Was \$100 Now \$50' or '\$100-\$50' is likely to be misleading, and consequently unlawful, if that product had not been sold at \$100 in a reasonable period immediately before the sale commenced.

"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 for on offer at the higher price immediately before the sale began.

"CBS will be visiting businesses around the state to educate them and make sure they are not misleading consumers with was/now pricing.

"We will be on the lookout 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.

"The maximum civil penalty for providing false or misleading information is \$1.1 million for a corporation and \$220,000 for an individual. Criminal penalties for the same amounts may also be imposed.

"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."

