

Misleading and Bait advertising

Traders are often very imaginative when advertising and promoting their goods for sale, but in doing so they have to ensure that all manner of advertising does not contain misleading information.

Misleading advertising

Misleading advertising is unlawful. Traders have a responsibility to follow these principles:

- ensure that advertised products are exactly as they have been described or promoted;
- if they are selling seconds or slightly damaged goods, ensure that they specify any defect that you the customer should know about; and
- they must not imply that they, their business or the goods or services have endorsement, approval, performance characteristics or benefits that they do not have.

Low deposit or low repayment terms

Advertisements that show goods or services available at an attractively low deposit, or on low repayment terms, may be misleading if the full price of the goods or services is not stated.

Any sale prices or discounts offered must be genuine

Traders are required to ensure that each representation in advertisements or promotional material is factual. In other words, the overall impression created about the goods or services being sold cannot be misleading.

For example: If a store advertises a sale with 20% off everything, then that is what you, as the customer is led to believe.

Bait advertising

Bait advertising occurs when a business advertises goods at a certain price but does not have a reasonable supply for customers to buy.

It involves advertising a small number of goods at attractive prices to entice potential customers into the business' premises and when the advertised goods quickly run out, customers are re-directed to higher-priced or lower-quality goods at the advertised price.

Traders are responsible for ensuring that adequate supplies of the goods are available for the duration of the sale. Goods should be offered at a special price only if they are available in reasonable quantities for a reasonable period.

Traders may be committing an offence if they know they will be unable to supply goods in reasonable quantities for a reasonable period and still go ahead with the sale.

Example: It may be reasonable for an appliance retailer to have just five refrigerators available for a special sale, but unreasonable for a clothing retailer to promote a special sale on socks, if there were just five pairs available.

If the offer is for a limited period such as for clearance sales it must be stated in the advertisement.

If you require more information contact Consumer Affairs on 1800 019 319 or visit www.consumeraffairsnt.gov.au