

CONSUMER AFFAIRS

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 advertising material (including catalogues) does not contain misleading information.

MISLEADING ADVERTISING

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

- Ensure that advertised products are exactly as they have been described or promoted.
- If selling seconds or slightly damaged goods, traders must ensure that they specify any defect that you, the customer should know about.
- 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, that is what you, as the customer, is led to believe.

Recently, a retail store's advertisements and catalogue implied that **EVERYTHING** in the store was discounted by 20%. Yet, when a customer attended the store to purchase a watch, he was told that watches were not part of the sale as they were already discounted.

This is misleading advertising, as EVERYTHING in the store WAS NOT discounted by 20%.

Advertisements should provide details of the items not included in the sale.

BAIT ADVERTISING

'Bait advertising' is when traders advertise a small number of goods at attractive prices to entice potential customers into their 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.

Traders should offer goods at a special price only if they are available in reasonable quantities for a reasonable period. If traders know they will be unable to supply the goods in reasonable quantities for a reasonable period, and still go ahead, they may be committing an offence.

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, this should be stated in the advertisement. If stocks are genuinely limited, such as a clearance sale, traders should say so in the advertisement.

If the trader is unsure of the availability of replenishing stocks, then the words '*no rainchecks*' should be included in the initial advertisement of the sale.

For further information contact Consumer Affairs

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