

# Media Release

Contact: **Tanya Berryman**  
Phone: 8204 9507



**Education and  
Information Services**

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Level 1 Chesser House  
91-97 Grenfell Street  
Adelaide SA 5000

GPO Box 1719  
Adelaide SA 5001

Telephone (08) 8204 9516  
Facsimile (08) 8204 9509  
[www.ocba.sa.gov.au](http://www.ocba.sa.gov.au)

## The price is NOT right

You can really feel ripped off when you pay more at the checkout for groceries than the advertised shelf price. Overcharging consumers is just not right.

In the Adelaide Magistrates Court, Anark Retailing Pty Ltd (Anark), former proprietor of a number of BP Express service stations, pleaded guilty to misleading consumers by selling goods at incorrect prices. The Office of Consumer and Business Affairs (OCBA) brought the charges when it found consumers were being charged more than the advertised price for a number of items.

In sentencing, Mr Gumpl SM, imposed a fine of \$8000 and remarked that it was "obviously important that retailers are vigilant about such matters to avoid potential rorts and to protect consumers". The fact there were three audits several months apart over two stores was of "great concern" because problems still existed and "one would expect proper checks and balances to be in place".

The Commissioner for Consumer Affairs, Mark Bodycoat explained that it is the retailer's responsibility to advertise correct prices. Failure to do so could be a breach of the *Fair Trading Act 1987*.

"Retailers should have a system in place so that they do not deliberately or inadvertently charge consumers more than prices that have been advertised."

OCBA has a standing scanning audit program where scanned and advertised prices are monitored periodically. These monitoring exercises are conducted across metropolitan and regional areas, checking businesses are complying with the legislation.

During price scanning audits carried out in November 2003 and March 2004, 52 stores were visited. A random selection of 25 items from each store was scanned on the store's electronic scanners to check that advertised shelf prices matched the scanned prices.

During the November 2003 audit, Inspectors found 4 out of 25 items were overcharged at a BP Express store then operated by Anark. Overcharges ranged from 05 cents to \$2.81. On a follow up audit, carried out in December, inspectors scanned another 24 items and 5 were found to be overcharged, ranging from 10 cents to \$1.41 per item. Both times, the errors were brought to Anark's attention, and the store manager promised to rectify them.

When they conducted a further scanning audit in March 2004, inspectors found 3 items overcharged at another BP Express store, also operated by Anark. Overcharges ranged from 10 cents to 90 cents per item.



**Government  
of South Australia**

This price scanning issue is so important that South Australia's fair trading officials are leading the way in a monitoring program with the support of the national Fair Trading Officials Advisory Committee. The committee has coordinated a series of Scanning Audits to be conducted Australia-wide, with the most recent of these being completed in April 2005. The results from this audit will be presented in a consolidated report. Preliminary findings indicate that scanning errors in favour of the trader are highest in service stations, grocery outlets and pharmacies. In one of these the error rate was as high as 90%.

Currently it is only some supermarkets that have a voluntary code, which is supported by OCBA and the ACCC. The Australian Supermarket Institute have agreed to comply with the Code of Practice for Computerised Checkout Systems. Under this code stores are required to ensure the price accuracy of their checkout systems and shelf pricing procedures. Other types of retailers are expressing interest in implementing a similar code.

"OCBA encourage all consumers to check their dockets. If you find a problem, talk to the store. If you can't resolve it there, report it to OCBA. We will contact the store and ensure as far as possible the error is corrected. OCBA take prosecution action where a store fails to take corrective action after a scanning problem has been brought to its attention."

Complaints regarding price scanning should be directed to OCBA on 8234 2036 or 131 882 for country callers.