

Media Release



Government of South Australia

Office of Consumer and
Business Affairs

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Bed “bargains” scrutinised by consumer watchdogs

Bed retailers are the latest target of state and federal consumer protection agencies as the watchdogs consider the price saving claims made by traders.

The Commissioner for Consumer Affairs Mal Hemmerling said “Bed retailers are being scrutinised to make sure that their advertising is not misleading.”

Many bed retailers use “two-price advertising” - the practice of comparing a sale price with a higher price. For example ‘was \$1200 / now \$800’ or ‘~~\$1200~~ \$800’.

“Consumer Affairs officers have been checking that the savings claims are genuine. If the bed has never been offered for sale at the claimed higher price, then consumers are being misled about the true extent of the bargain.”

As part of a national campaign the Office of Consumer and Business Affairs (OCBA) along with the other state and territory consumer affairs agencies and the Australian Competition and Consumer Commission have been checking in-store and catalogue advertising of a number of bed retailers across Australia during the past two weeks. Seventeen stores have been examined in South Australia, 10 in the metropolitan area and seven in regional areas. 14 stores were found to be using two-price advertising during the fortnight.

As part of the monitoring 13 stores are being asked to substantiate their price or saving claims made. Misleading statements made in advertising is a potential breach of fair trading legislation. Some traders have already provided information to substantiate their claims.

“Of the 14 stores that had been comparing the sale price with a previous price in their marketing, one offered satisfactory evidence to support their advertising claims, and Consumer Affairs is asking the other 13 stores to substantiate their advertising claims.”

“If the traders are unable to substantiate their advertising claims then they will be subject to further investigation.”

The maximum penalty for misrepresentation under the Fair Trading Act is \$100,000 for a body corporate and \$20,000 for an individual.

To report concerns about advertising claims made by a trader, contact the OCBA on 8204 9777, or for regional callers 131 882 (local call cost).