

Media Release



Government of South Australia

Office of Consumer and
Business Affairs

20 October 2010

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Information Services**

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RETAILER CAUGHT OUT IN PRICE SCANNING AUDIT

The owner of an IGA supermarket on North Terrace was fined in the Adelaide Magistrates Court this morning for misleading representations about the price of goods for sale.

In an action instigated by the Office of Consumer and Business Affairs (OCBA), the store owner, Kalithea Pty Ltd, was fined \$1200 and ordered to pay court costs of \$800.

Acting Commissioner for Consumer Affairs Anne Gale says that “the successful prosecution of Kalithea serves as a warning to other store operators not to mislead consumers about the prices of items for sale and regularly check and update the prices on shelves to make sure they match the scanned price at the register.

“Be warned that our OCBA inspectors are out there conducting random audits of supermarkets to make sure that consumers aren’t getting ripped off by discrepancies between the price on the shelf and the price at the checkout.

“Consumers can be quite savvy when it comes to selecting items on the shelf at the right price.

“It’s unfair if they then get gouged at the checkout because, unbeknownst to them, the item they’ve carefully chosen on the shelf is scanning at a higher price.

“OCBA pursues these cases, not only to protect the interests of victims, but to maintain the integrity of the retail sector as a whole, so that people can make informed decisions and shop with confidence,” said Ms Gale.

Officers from OCBA’s Compliance and Enforcement Unit conducted a price scanning audit at the IGA store on 11 March 2009.

Of 25 items chosen at random to be scanned, the audit revealed that three items scanned higher than the ticketed shelf price and two items scanned lower than the shelf price.

Despite an official warning, a follow up visit by OCBA inspectors in June identified further price discrepancies. On this occasion, of 25 items selected, seven scanned higher than the shelf price, and three lower.

The court heard that the additional pricing discrepancies arose from a failure to alter price tickets when the store’s register scanning system was updated.

Following an investigation by OCBA, prosecution action was commenced against the company, for seven counts of making a false and misleading representation with respect to the price of goods in breach of the *Fair Trading Act 1987*.

“Store owners need to take their obligations under the Fair Trading Act extremely seriously and be vigilant about not misleading their customers about the prices of the goods on their shelves.

“At the same time, making sure the prices are accurate means that traders won’t be out of pocket because of items scanning lower than the shelf price,” said Ms Gale.

To report any concerns about the misrepresentation of the price of goods for sale, contact OCBA on 8204 9777 and for regional callers: 131 882.

Media contact: 0422 007 069