

Wednesday May 10, 2006

### **JEWELLERY FOR MUM: IS IT REALLY SUCH A BARGAIN?**

Australia's consumer watchdogs are checking jewellery advertising in the lead up to Mother's Day to ensure that consumers are not being misled about claimed bargains.

Consumer Affairs Minister Jennifer Rankine says jewellery is always heavily advertised in the lead up to Mother's Day.

"Retailers need to ensure that their advertising is accurate and doesn't entice consumers into buying decisions that will be based on false or misleading claims," says Ms Rankine.

State and Territory consumer affairs agencies, together with the Australian Competition and Consumer Commission, are monitoring catalogue advertisements that claim savings of a certain percentage or dollar amount on individual items.

Some stores are being asked to substantiate their claims that consumers are paying less now than the normal price for items.

The main focus of this monitoring campaign is *two-price' advertising*, where sellers promote the sale price by comparing it with a higher 'normal price' - for example 'was \$150/now \$100'.

Consumer affairs agencies Australia wide have collected catalogues over the past few weeks, and jewellery stores that use 'two-price' advertising extensively or make claims about extraordinary savings will be asked to provide information to support the price saving claims.

Already a number of jewellers have been asked for information about their claimed price savings.

"If the advertisement claims a bracelet is on sale for \$200, reduced from \$300, we want to see evidence of that," says the Minister.

"If the bracelet has never been priced at more than \$200, then consumers are being misled."

Traders' responses will be carefully considered to assess what, if any, further action is required. The ACCC has previously taken successful court action against a number of traders for misleading consumers about the price of goods advertised.

This monitoring campaign follows a series of seminars presented to the Jewellery Association of Australia to assist its members in understanding their obligations under fair trading legislation.

The seminars were coordinated by the ACCC with the Office of Consumer and Business Affairs (OCBA) presenting to South Australian jewellers about specific requirements under SA legislation.

The monitoring results will be reported later this month once responses have been received from individual jewellers.

The Minister has encouraged consumers to look at the actual price charged, rather than focus on the extent of the discount.

“A \$200 discount at one store may still be more expensive than the normal retail price at another store,” she says.

To report any concerns about false or misleading advertisements, contact OCBA on 8204 9777, or 131 882 for country callers.

For further information contact David Heath on 0422 004 439