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NATIONAL AUDIT UNCOVERS FASHION VICTIMS

Almost 40 percent of South Australian clothing shops audited in a national survey have been using illegal refund policies.

Consumer Affairs Minister Gail Gago says small and medium size fashion outlets across the country were audited last month, with 349 shops checked for compliance with fair trading laws about refunds.

The Office of Consumer and Business Affairs (OCBA) audited 40 shops in July in SA as part of the first national audit of refunds policies and found only 25 of those were fully compliant.

“This is a very disappointing result because it means that many consumers are being misled about their right to a refund,” Ms Gago said.

“By law consumers are entitled to a refund if items are faulty, wrongly described, different from samples shown or do not do what they are supposed to.

“Shops that display signs that say “no refund” are misleading consumers into thinking that they have no right to a refund, when in fact there are a number of situations where consumers are legally entitled to a refund.”

Other examples of illegal refund statements found on signage and store receipts are:

- No refund on sale items
- We will exchange or give a credit note, but we do not give refunds
- No refund due to hygiene reasons.

“If consumers are entitled to a refund then stores should not make statements to suggest that there will be no refund, nor should they limit consumers to a credit note or other remedy of their choosing,” Ms Gago said.

“Warning letters have been issued to the non-compliant shops, and OCBA will seek to prosecute if retailers are found to be repeat offenders.”

Retailers of all types of goods can expect to come under the scrutiny of future surveys.

The national refund survey results are as follows:

State/Territory	Sites visited	Number Compliant	Percentage compliant
SA	40	25	62.5%
ACT	40	26	65%
NSW	40	34	85%
VIC	36	21	58%
TAS	40	30	75%
WA	40	27	67%
QLD	40	33	82%
NT	73	55	75%
National average	349	251	72 %

To report concerns about misleading refund statements contact OCBA on 8204 9777 or 131 882 for country callers (local call cost).