

# Penalties for making alleged misleading “was/now” price claims

Four furniture retailers have each paid a penalty of \$12,600 after the ACCC issued them with an infringement notice following an ACCC investigation into the industry’s use of ‘was/now’ price comparisons in advertising.

Plush – Think Sofas, Koala Living, ESR Group Holdings Pty Ltd (trading as Early Settler) and Oz Design Furniture each received an infringement notice.

The ACCC had reasonable grounds to believe each retailer had made false or misleading representations by claiming that consumers would save money if they purchased certain furniture items when this was not the case.

The retailers used advertising statements such as ‘was \$2599, now \$2049’, or ‘\$799, save \$200’, when the furniture item had never been advertised at the ‘was’ price, or was only advertised at the ‘was’ price for a short period of time.

For example, one of the retailers advertised a ‘Roller Ottoman’ at a price of \$539 with the words ‘save \$360’, even though it was available for \$449 directly before the sale, while another advertised an occasional chair with the words ‘\$799, save \$200’, when its usual price for the previous six-months was \$699, \$100 cheaper than the sale price.

“Consumers rely on comparative pricing to find the best deal available. If there are no genuine savings, businesses are misleading consumers,” ACCC Commissioner Sarah Court said.

*“Using claims of false savings to induce consumers to purchase products also disadvantages competing retailers which are complying with the law.”*

“The ACCC has taken this enforcement action to send a strong message to retailers that they must ensure that any claimed savings are accurate and based on a “before” price which has been offered for a reasonable period when using comparison advertising,” Ms Court said.