



MINISTRY OF COMMERCE, INDUSTRY, LABOUR AND IMMIGRATION
CONSUMER AFFAIRS AND PRICE CONTROL DIVISION
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Misleading Conduct of Advertisement

Consumer Affairs and Price Control Division has issued a warning to JSE Shop for misleading consumers with its advertising. JSE Shop was advertising that its cell phones and laptops had been massively reduced in price. The reality was that the products had never been sold at the advertised 'was price' and therefore the discounts were false.

Consumer Affairs and Price Control Division Director Geoffrey Dan Hou'ua says that misleading consumers by advertising false discounts, breaches the Consumer Protection Act.

Mr Hou'ua said "Shops are advertising false discounts to entice consumers into their shop. False Advertising makes consumers think they are getting a better deal than they are with other suppliers, and it takes customers away from shops telling the truth about their prices.

"The Division is taking a close look at pricing behaviour, including the way shops are displaying prices on their shelves. Consumers need to know what price they will pay for goods so having the correct price on the shelf is essential.

"The Consumer Protection Act requires that all shops have a notice setting out accurate prices for all the products in the store. We are finding that very few shops have accurate prices on the shelf, or that they have a list of prices displayed on a notice board.

"We have been warning shops about their pricing behaviour, but it is likely that in the future, we will start prosecuting shops."

Mr Hou'ua has said that if any consumer has seen advertising, or incorrect prices on the shelf, they can contact the Division's office by Phone 24616 or call into the office located at Mokolo Building, China Town.

Background Information

If a business is engaging in a conduct that is misleading or deceptive or is likely to mislead or deceive consumers, during the course of trade, it's a breach of Section 24 of the Consumer Protection Act. The maximum penalties for breaching the Act for a first offence is \$10,000.00 or imprisonment for a period not exceeding one (1) year, or to both such fine and imprisonment. In addition, in the case of a subsequent offence, the fine is \$20,000.00 or imprisonment for a period not exceeding two years or to both such fine and imprisonment.

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