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# INFORMATION SHEET

## ACCC Warning on Advertising & Promotional Material

The ACCC has said that conduct such as photographs and glossy brochures that promote products should be of what the consumer will be supplied at the advertised price, not an upgraded package that would ultimately cost the consumer much more. The Federal Court found that if images used in advertising include items not supplied by the builder such as landscaping or swimming pools, builders must include a clear and prominent statement to that effect.

Where a price reduction of a home is advertised, it must be a genuine reduction from a price at which the home had been previously sold immediately before the commencement of the offer. Where 'upgrade packages' are promoted and refer to a value or discount of the package it must be based on prices that the package items have been sold immediately before the promotion.

"If companies run promotions or advertise savings then those savings must be real, not a lure to attract customers to their products over competitors who might be doing the right thing", the ACCC said.

Another ACCC reminder for traders is that fine print is not an antidote to misleading headline representations, particularly when the fine print means that very few consumers would be able to take advantage of the offer.

For more information about compliance with the Australian Consumer Law 2010 (formerly known as Part V of the Trade Practices Act 1974), check with your local Department of Fair Trading or go to <http://www.accc.gov.au>.

While this recent case sets no new precedent – it is simply an application of well understood consumer protection laws that have existed for many years – it is a timely reminder that businesses must take care in the claims they make in their advertising and promotional material.

HIA is able to assist you with information and advice on all these compliance issues, but it is important for anyone running a business to have their own internal compliance checks to ensure that their advertising and market conduct is not misleading or otherwise unlawful.

For more information please call the HIA Helpline on 1300 650 620.

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DISCLAIMER - The above is intended to provide general information in summary form. The contents do not constitute specific advice and should not be relied upon as such. Formal specific advice should be sought by members with respect to particular matters before taking action.

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