

False or misleading claims on performance characteristics, components, uses or benefits of goods or services

Under the Consumer Protection (Fair Trading) Act 2003, it is an unfair practice for suppliers to represent that goods or services have performance characteristics, components, uses or benefits that they do not have. Doing so could:



MISLEAD A CONSUMER

into paying more for a product or service that does not, in fact, have the functions or attributes that the consumer thinks it has.



MAKE A CONSUMER BUY A PRODUCT OR SERVICE THAT THE CONSUMER MAY NOT OTHERWISE BUY

because the product or service may not meet the consumer's needs.



CREATE AN UNFAIR ADVANTAGE FOR ERRANT SUPPLIERS

over other ethical suppliers who offer competing products or services.

BUSINESSES SHOULD ADOPT THE FOLLOWING PRACTICES:

01 Ensure claims on the performance characteristics, components, uses or benefits of their goods or services are accurate to allow consumers to make informed choices.



02 Be accurate, clear and upfront about material information (e.g. characteristics, terms, limitations, etc) relating to their goods or services.



03 To exercise due diligence and avoid making claims on characteristics of goods or services which cannot be properly substantiated.



04 Review business practices regularly and ensure that existing claims made on their goods or services are not false or misleading, and to correct any false or misleading claims as soon as these comes to their attention.

