

A newsletter for consumers and the consumer movement

Want to make a complaint? Contact the ACCC Infocentre on **1300 302 502** Want to forward suggestions for future articles?

Email the Consumer express team at express@accc.gov.au

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Petrol prices—getting the best deal

Many families will be travelling interstate by car during the holidays. By staying informed about petrol price movements, you can save on your petrol bill.

The ACCC has launched a major initiative on its website <www.accc.gov.au> to tell consumers about [petrol price cycles](#) in the major metropolitan cities (look for 'Petrol Price Cycles' under latest news).

Many consumers are already aware that the price of petrol moves in cycles, allowing them to buy when prices are relatively low. The difference in prices between the bottom of the price cycle and the top can be substantial. In Melbourne, for example, the average increase from the bottom to the top of price cycles so far this year has been 6.7 cents per litre. By buying at the bottom of the price cycle, consumers in Melbourne could have saved themselves around \$174 a year.

By publicising information about price cycles the ACCC hopes to help more consumers exploit the cycle.

More information:

http://203.6.251.7/accc.internet/digest/view_media.cfm?RecordID=869

In the consumers' interest

Two-price advertising

We've all been there: you see the big signs advertising the sale and walk into the shop to see if you can spot a bargain. You pick up an item with a swing tag that has one price crossed out, and a much lower price immediately below. It's a big reduction, so you decide to take advantage of the offer.

But are you really making a saving?

Two-price advertising refers to the practice of showing the previous price of an item as well as the current price (usually lower), to show consumers the price reduction or saving.

As a consumer you should also take price claims with a grain of salt; shop around and compare prices even more carefully than you would at other times of the year. You might also want to think about whether the 'discounted price' actually represents good value for money, regardless of whether it seems like a good deal because of the price difference.

When determining whether a discount was genuine, the ACCC will consider such factors as the length of time, if any, that the product was available for the original price.

Allans Music - false advertising leads to big fine

Allans Music Group Pty Ltd has been fined a total of \$80 000 in the Federal Court, Adelaide.

Allans pleaded guilty to nine counts of making false or misleading representations about price. Nine other counts were withdrawn. Allans made the false 'was/now' price claims in its Christmas 2000 catalogue.

Justice Tamberlin found that Allans advertising was 'false in the sense that for all practical purposes, the items in question had not been sold in the pre-Christmas period at the "was" price but rather at prices substantially below the claimed "was" price'. He also commented that the catalogue 'was plainly designed to attract custom on a false basis during a key marketing period'.

The ACCC regarded the conduct as particularly blatant and reckless and therefore pursued it as a criminal prosecution. It is the first time a retailer has been convicted by the Federal Court for the use of false 'was/now' advertising.

More information:

http://203.6.251.7/accc.internet/digest/view_media.cfm?RecordID=904

Duty Free group

The ACCC has accepted court enforceable undertakings from the Nuance Group Australia Pty Ltd over Downtown Duty Free and City International Duty Free's misleading 'was/is' style advertising earlier this year.

The items advertised included watches, conventional and digital cameras, palm pilots, films, portable CD players, camera lenses and a recording mini-disc.

The ACCC alleged that City International Duty Free and Downtown Duty Free advertised savings on these products when they had not been advertised at the higher prices for a reasonable time before the sale.

The ACCC was also concerned that both stores claimed the products were exclusive to each store, when this was not so.

Nuance has accepted that it had engaged in misleading and deceptive conduct and made false or misleading representations, and has undertaken:

- that it will not represent that particular price savings are available when the products have not been offered at the higher price for a reasonable period before the sale;
- that it will not falsely represent that products are exclusive to their stores;
- to publish corrective newspaper advertisements and place corrective notices in-store for three weeks;
- to offer full refunds to affected consumers; and

- to implement a trade practices compliance program.

More information:

http://203.6.251.7/accc.internet/digest/view_media.cfm?RecordID=885

Watch out for Copy protected CDs

CDs are a popular Christmas gift, but you might be disappointed if they don't work the way they're supposed to. The ACCC has renewed its warning to consumers following advice from a major record label that it has introduced copy protection measures on some CDs released in Australia from November.

Under Australian copyright law, consumers are not permitted to copy CDs, regardless of whether the copies are for personal use.

The introduction of the copy control technology means that consumers may no longer be able to 'burn' copies of CDs where the technology has been used. The music industry is trying to crack down on unauthorised copying of sound recordings.

Although the ACCC welcomed this initiative as a legitimate method of preventing music piracy, it is keen to ensure that consumers are fully aware of any technical restrictions on the use of these discs before they pay for them.

The ACCC first warned consumers in December last year to exercise caution when buying CDs after becoming aware that discs released in the United States and Europe bearing early versions of the copy control technology could not be played in computers, DVD players or car stereos.

The ACCC wants to ensure that manufacturers, retailers and importers do the right thing by informing consumers of any restrictions on what can be done with a copy protected CD.

When the performance characteristics of a CD are being changed it is appropriate to place a warning on the outer packaging of the disc to draw consumers' attention to that change. Manufacturers and importers must also ensure that retailers are educated about the existence and effect of the technology, so that they, in turn, can inform consumers.

If, as a result of inadequate disclosure on the product packaging or at the point of sale, you believe that you can play a CD in a certain manner, but subsequently discover you cannot, you can return it to the place of purchase and get a refund. More information:

http://203.6.251.7/accc.internet/digest/view_media.cfm?RecordID=870

Product safety

Mini-cup jellies banned

Any mini-cup jelly confectionaries containing konjac should be left **off** your Christmas shopping list.

On 21 August 2002 an 18-month temporary ban under section 65C(5) of the Trade Practices Act was applied to the supply of mini-cup jelly confectionaries containing konjac.

Similar confections not containing the banned ingredient are available, and these have not caused any alarm.

The Parliamentary Secretary to the Treasurer, Senator Ian Campbell, announced the ban following a number of deaths in Australia and overseas from consumption of the product. The ban applies to any mini-cup jellies containing the

ingredient konjac, also known as glucomannan, conjac, konnyaku, konjonac, taro powder or yam flour.

The ACCC has already acted to prevent the sale of the banned jellies. The ACCC instituted proceedings in the Federal Court in Perth against Trans Oriental Import, Export Pty Ltd and one of its directors, Mr Thai Tran, alleging the company sold the banned mini-cup jellies to consumers.

The ACCC alleges that on 1 November 2002 the company supplied two mini-cup jellies containing the banned ingredient konjac from the Trans Oriental Supermarket in Leederville. The products are Coconut Jelly (bar code number 4710174043890) and Conjac Coconut Jelly (bar code number 4710174056159).

The ACCC alleges that conduct is misleading and deceptive, and breaches the product safety provisions of the Trade Practices Act. A directions hearing is set for 12 February 2003 before Justice Carr.

More information:

http://203.6.251.7/accc.internet/digest/view_media.cfm?RecordID=900

What does Internet access really mean?

As a consumer you should be careful when selecting an ISP, to ensure that it will best meet your Internet needs. Don't sign any contract or agree to receive Internet services until you have read all the terms and conditions.

The ACCC recently took action against an ISP who misled, harassed, and took advantage of consumers.

The Federal Court in Brisbane has found that Internet TV Australia Pty Ltd (receiver and manager appointed), formerly trading as Free2aiR, and its director, Mr James Young, had engaged in misleading and deceptive conduct, unconscionable conduct and harassment and coercion.

The ACCC alleged that Free2aiR represented to consumers that:

- its Internet services included free Internet access time;
- there was a once-off set-up fee; and
- no ongoing fees and charges were payable for the Internet access services other than a charge for any downloads in excess of a specified amount each month.

The court declared, by consent, that Free2aiR did not bring important terms and conditions to the attention of consumers before they subscribed. These conditions included one that purported to allow Free2aiR to charge customers a quarterly administration fee in addition to the set-up fee. Some consumers later received quarterly administration invoices demanding further payment for their Internet services and threatening disconnection if they did not pay.

The court also found that Free2aiR had engaged in unconscionable conduct by threatening to disconnect customers if they contacted Free2aiR to query the administration fee, and by deducting administration fees from customers' credit cards without express authority.

Free2aiR was also declared to have used undue harassment and coercion by threatening to disconnect customers who failed to pay administration fees. Free2aiR also advised customers that outstanding administration fees would be referred to a debt collection agency for recovery which may

involve additional charges and result in damage to the customer's credit history with credit reference agencies.

The court declared that the sole director of Free2aiR, Mr James Young, was knowingly concerned in, or aided, abetted and procured each of the breaches. The consent orders also included injunctions restraining the respondents from similar conduct in the future, and costs orders. The receiver did not oppose the making of the orders.

More information:

http://203.6.251.7/accc.internet/digest/view_media.cfm?RecordID=880

Virgin Mobile ads found to be false and misleading

ACCC action against Virgin Mobile (Australia) Pty Ltd has resulted in the Federal Court, Perth, finding that the company made false and misleading representations and also failed to state the full cash price of mobile phones in national advertisements for its Dial High Club mobile phone packages.

Virgin Mobile's advertisements such as 'Nokia 8310 on us, handcuffs off you', 'No long-term contracts', and 'Leave when you like' implied to consumers that they were not obliged to pay the specified monthly call charges for any particular period and that they could leave their contract without making any additional payment on termination.

In fact, unless consumers continued to pay the monthly call charges for the full 24 months, they had to pay out the full cost of the telephone handset. Virgin Mobile also failed to disclose to consumers the cash price of the handset (up to \$1039 for one package) or the minimum cost of joining the Dial High Club package (as high as \$1069 for one package).

Apart from declaring that Virgin Mobile made false and misleading representations, the Federal Court also made other orders, all with Virgin's consent, requiring Virgin Mobile:

- to write to affected consumers about the court's findings, explaining the relevant costs and consequences of their signing up to the packages
- to publish a public notice in newspapers nationally as well as on its website
- to state the full cash price of mobile phones and the full cash price or minimum cost of mobile phone packages, as well as the method by which any amount payable on termination is calculated, in its future advertisements
- to create a website to inform consumers of the obligations imposed by the Trade Practices Act on advertisers who promote mobile phone and phone packages
- to implement, maintain and have audited a trade practices compliance program
- to pay the ACCC's costs.

If you are considering getting a mobile, you should read all contracts carefully before you sign. Make sure you know all the fees, charges and call costs, and if you don't understand anything seek clarification.

More information:

http://203.6.251.7/accc.internet/digest/view_media.cfm?RecordID=899

Consumer protection on-line

Internet shopping— don't get caught in the web

Over the holiday season, many people will be surfing the net for gifts and bargains. Buying online has many advantages: the global marketplace can offer more competitive prices, the convenience of shopping at home, or a wider range of choices. However, during this high spending time of year, you should be especially careful of unscrupulous and anonymous traders.

The ACCC will closely monitor complaints about e-commerce during December and January—however you can take the following steps to help ensure your online experience is successful.

- check the site carefully for the trader's full contact details including a street address;
- check delivery times, stock availability and if the company has a policy of substituting a product if the one ordered is unavailable;
- verify any seals/badges of approval or affiliation with codes of conduct. Usually there is a link from the badge itself which should provide the necessary information to show that the trader is genuine;
- use sites that have secure online payment. This is usually shown by an unbroken lock or key at the bottom of the screen or as 'https://' in the webpage address. It is also useful to confirm the payment in some way either by phone or email. Some sites have a return window that confirms the order once it is placed giving the consumer a clear understanding of the total cost before finally agreeing to it. Consumers should print out this confirmation or save it for future reference;
- check how the company deals with personal information. In Australia privacy provisions also apply to online traders;
- read all the terms and conditions carefully. Traders sometimes use these to limit liability;
- check for warranties, the trader's refund policies and any dispute resolution processes. In Australia traders are bound by the statutory warranty provisions in the Trade Practices Act; and
- check that the product is legal in Australia. As online consumers cannot personally inspect goods or services it is important that online traders provide accurate information on their website.

To make a complaint call the ACCC Infocentre on 1300 302 502 or go online at www.accc.gov.au.

More information:

http://203.6.251.7/accc.internet/digest/view_media.cfm?RecordID=906

From last month's *Consumer Express*:

Website credibility causes global concern

Misleading, inaccurate and incomplete information on some websites is exposing consumers to risks, especially when they might be seeking health or financial help.

Consumers International and Consumer WebWatch recently announced the results of their assessment of the credibility of health and finance websites worldwide. They investigated sites providing information on breast cancer, prostate cancer and allergies; others providing information

on financial services and products such as mortgages and life insurance; and 'deal-finder' sites comparing prices on computers, flights and car rental rates.

More information:

Consumers International's 'Credibility on the web' study:
<http://www.consumersinternational.org>.

Consumer WebWatch's latest research and its guidelines for improving web site credibility:
<http://www.consumerwebwatch.org>.

Consumers International press release: [International Survey: Web Credibility a global concern for consumers](#)

Boycotts

Alleged bulk billing boycott

The ACCC has instituted proceedings in the Federal Court in Melbourne against AK Freund Pty Ltd and Dr Abraham Freund, for allegedly attempting to restrict the ability of their competitors to offer bulk billing, and after-hours medical services.

The ACCC seeks court orders including declarations, injunctions, the implementation of a trade practices compliance program, findings of fact and costs. A directions hearing is set for 7 February 2003.

More information:
http://203.6.251.7/accc.internet/digest/view_media.cfm?RecordID=883

From last month's *Consumer Express*:

No-gap billing boycott breaches competition law

The Federal Court in Brisbane granted consent orders finalising an ACCC action against three obstetricians, Dr Mark Leyden, Dr Stephen Robson and Dr Paul Khoo, for a boycott of no-gap billing. The ACCC alleged Dr Leyden, Dr Khoo and Dr Robson made arrangements in December 2000 and January 2001 that none of them would provide private in-hospital obstetrics services to their patients on a no-gap billing basis.

More information:
http://203.6.251.7/accc.internet/digest/view_media.cfm?RecordID=844

December media releases

23 December 2002 [ACCC Not to Oppose John Holland's Proposed Acquisition of Transfield Construction and Walter Construction](#)

23 December 2002 [ACCC Accepts Cosmetic Relabelling Program by Private Formula](#)

23 December 2002 [Yellow Pages Service Misled Consumers](#)

23 December 2002 [ACCC Notes Withdrawal of Basic Bank Account Agreement Proposal](#)

20 December 2002 [Balgee Joined to ACCC Petrol Price-Fixing Case](#)

20 December 2002 [ACCC Final Determination on Market and System Operations Rules to Benefit Victorian Energy Industry](#)

20 December 2002 [Full Federal Court Disapproves of Dell's Earlier Price Advertising](#)

19 December 2002 [ACCC and Milk Companies](#)

19 December 2002 [Product Safety Warning for Pool Toys](#)

19 December 2002 [ACCC Gives Certainty to Doctors Within General Practices on Fee-Setting](#)

19 December 2002 [ACCC Issues Discussion Paper on Telstra and Foxtel's Analogue Access Undertakings For Pay TV](#)

16 December 2002 [Container Stevedoring Costs Reach Historic Low](#)

16 December 2002 [ACCC Accepts Undertakings from Hoyts, Greater Union and Village on Cinema Advertising](#)

16 December 2002 [ACCC Watches Internet Trading Over Christmas/New Year](#)

16 December 2002 [ACCC Rejects Basic Bank Account Agreement Proposal: Does Not Go Far Enough](#)

16 December 2002 [ACCC Issues Revenue Cap Decision for Victorian Electricity Transmission Network](#)

13 December 2002 [ACCC Decision will Reduce Electricity Transmission Charges in South Australia](#)

12 December 2002 [Virgin Mobile Advertisements Found to be False and Misleading](#)

12 December 2002 [Allans Music Fined \\$80,000 for Misleading Christmas Catalogue](#)

12 December 2002 [ACCC's Interim Decision Maintains Life Insurance Bar on Genetic Testing](#)

12 December 2002 [ACCC Institutes in Product Safety Matter](#)

11 December 2002 [ACCC Issues N.T. Amadeus Basin To Darwin Pipeline Final Decision](#)

10 December 2002 [ACCC Concludes Investigation into Allegations of Unlawful Conduct in Art Markets](#)

10 December 2002 [Future Directions of Trade Practices Law and their Impact Examined in Video Panel Discussion](#)

9 December 2002 [ACCC Proposes to Authorise New Technical Standards for National Electricity Code](#)

9 December 2002 [National Electricity Market - Rebidding Code Changes: Final Determination](#)

9 December 2002 [QANTAS/Air New Zealand Application to the ACCC Available Soon](#)

9 December 2002 [ACCC Proposes to Allow Inghams to Continue Collective Negotiations with S.A. Chicken Growers](#)

9 December 2002 [ACCC Takes Court Action Against Alleged Attempt to Fix Flour Prices by George Weston Foods Limited](#)

6 December 2002 [ACCC Allows Queensland to Continue Forward-Looking Calculation of Electricity Loss Factors](#)

6 December 2002 [Federal Court Declares Daewoo Engaged in Unconscionable Conduct](#)

5 December 2002 [ACCC Issues Final Determination on Nurses in Victoria](#)

5 December 2002 [Queensland Newspapers Pty Ltd Offers Undertakings to Allow Internet Advertising in Classifieds](#)

5 December 2002 [Domain Name Reseller to Provide Refunds Following ACCC Federal Court Action](#)

4 December 2002 [Duty Free Group Gives Undertakings Over Misleading Advertising](#)

3 December 2002 [ACCC Takes Action Against Berwick Springs G.P. for Alleged Attempt to Induce Boycott of Bulk-Billing](#)

2 December 2002 [Federal Court Orders Suspended Sentence for Internet Traders for Contempt](#)

2 December 2002 [ACCC Issues Latest Broadband Service Figures](#)

2 December 2002 [Swiss Canyoning Tragedy Sparks Procedure Review by Contiki Australia](#)