



**Australian  
Competition &  
Consumer  
Commission**

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Our Ref: C2005/1807  
Your Ref:  
Contact Officer: Isabelle Arnaud  
Contact Phone: 02 6243 1049

14 November 2005

Ms Anna Sharpe  
Partner  
Clayton Utz  
GPO Box 55  
BRISBANE QLD 4000

Dear Ms Sharpe

**Re: Third line forcing notifications N50170 and N50171 lodged by LoyaltyCo Pty Ltd**

I refer to the above third line forcing notifications lodged with the Australian Competition and Consumer Commission (the ACCC) on 31 October 2005.

LoyaltyCo has described the conduct as the allocation of rewards points to members of the Loyalty Reward Program associated with the Virgin Blue Group when the members purchase car hire from Europcar (N50170) and air flight from the Virgin Blue Group (N50171).

Legal immunity conferred by the notifications commenced on 14 November 2005.

On the basis of the information that you have provided, it is not intended that further action be taken in this matter at this stage.

As with any notification, please note that the ACCC may act to remove the immunity afforded by these notifications at a later stage if it is satisfied that the likely benefit to the public from the conduct will not outweigh the likely detriment to the public from the conduct.

Please note that airline loyalty schemes have been the subject of consumer complaints to the ACCC in the past. The ACCC is concerned that these schemes are operated transparently so consumers are not misled as to the benefits to which they are entitled and any limitations to those benefits.

LoyaltyCo will need to ensure that any limitations or restrictions on the ability of members to redeem reward points earned are adequately disclosed to consumers.



This letter has been placed on the ACCC's public register. If you wish to discuss any aspect of this matter, please do not hesitate to contact Isabelle Arnaud on 02 6243 1049.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Scott Gregson', with a large, sweeping flourish at the end.

Scott Gregson  
General Manager  
Adjudication Branch