

“Money off” Sales and the Law

In the pre-Christmas period, the high street and newspapers are littered with money off, buy now and other desperate measures to generate sales of goods in the recession. However, traders do need to operate within the law otherwise criminal offences may well be committed.

The new Consumer Protection from Unfair Trading Regulations 2008 (implemented earlier this year) are being ignored by one third of businesses according to a recent survey. The Regulations protect both consumers and businesses. Businesses are protected by the sister Regulations - the Business Protection from Misleading Marketing Regulations 2008, from unfair and misleading commercial practices.

Richard Harriman says:-

"The Regulations ban unfair advertising, misleading statements in advertising, acts and omissions and also 31 specific practices in Schedule 1 of the Regulations. The latest survey found that the Regulations are being ignored by over 60% of those engaged in marketing. A common provision that is not adequately addressed is that which prevents businesses from posing as consumers to enhance the profile of a particular brand or product. Some hoteliers even go on-line to give supposedly independent comment on hotel review websites which, in fact, comes from the owner of the hotel. This is now a crime. Complaints can lead to action by trading standards officers and ultimately the Office of Fair Trading, leading to fines of up to £5,000 and imprisonment of up to two years.

Local traders are heavily engaged in sales and cost cutting in the current economic climate but need to be aware that the use of terms such as "free" is now strictly regulated under the Regulations and all would be wise to take legal advice and look at the Pricing Policies guidance of the OFT/Department for Business to check when "money off" claims are lawful".

For information on the Regulations call Richard Harriman on 01494 521301.