

PART 2: THE FAIR TRADING ACT 1986

The FTA gives you protection when you are thinking about buying goods or services. The idea is, you should be basing your decision to buy a good/service on the correct information. Sellers can't use misleading or deceptive conduct, false representation or unfair practices to trick you into buying a good.

MISLEADING OR DECEPTIVE CONDUCT

If you are told things by shopkeepers, that give you a false impression about goods you are buying, then you have been misled or deceived. For example, if you discover that bags or shoes advertised as leather are actually vinyl.

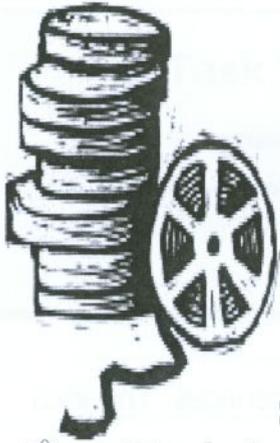
FALSE REPRESENTATIONS

When information given to you about goods and services is not true, then a false claim has been made. For example, if you buy a shirt with "Made in NZ" on the label, and then you find out it was actually made in China.

UNFAIR PRACTICES

Unfair practices are selling methods which mislead you. Some examples include:

- offering prizes without intending to supply them
- bait advertising – when a seller advertises particular goods or services at a particular price, and doesn't intend on selling a reasonable amount at that price
- making misleading claims
- pyramid selling schemes
- demanding or accepting payment and then not delivering goods or after an unreasonable period of time
- using physical force, harassment or coercion



WATCH DVD: An Evening with the Fair Trading Act (Eco 23) or view it on you tube (www.youtube.com/commercecommission) (27 minutes)



Task 1: Breaches of the Act

As you watch the DVD note down how the Fair Trading Act was breached and what the business should have done

How the Act was breached	What the business should have done
Bait Advertising	
Fine Print	
Made in NZ Claims	

Health and Nutrition Claims	
Environmental Claims	
Misleading as to Rights	
Online Selling	

Half Truths and Omissions	
Use of Agents and Telemarketers	
Pricing	
Add-Ons and Hidden Fees	

