

COMPLAINT NUMBER	16/375
COMPLAINANT	I. Ryan
ADVERTISER	New Zealand Post Limited
ADVERTISEMENT	NZ Post Website
DATE OF MEETING	29 November 2016
OUTCOME	Not Upheld

SUMMARY

The website advertisement for YouShop, a division of NZ Post says “When a YouShop parcel arrives at our warehouse it will be assessed to see if it can be repacked... We will only repack your parcel if the money you will save on the international postage exceeds the repacking fee.”

The Complainant said YouShop made “a number of claims that are untrue... They claim that they will repack items if it will save you money...However they will ‘only’ give you this service if you make formal complaints through their support channels. This is not the advertised service.

The Advertiser said the Complainant’s two items had not originally been repacked because they did not meet the relevant criteria, which are available on their website. The Advertiser said in this case YouShop did however agree to repack these items, following a request from the Complainant.

The Complaints Board agreed the website advertisement for YouShop was not misleading.

The Complaints Board ruled the complaint was Not Upheld.

[No further action required]

Please note this headnote does not form part of the Decision.

COMPLAINTS BOARD DECISION

The Chair directed the Complaints Board to consider the advertisement with reference to Basic Principle 4 and Rule 2 of the Code for Ethics.

This required the Complaints Board to consider whether or not the advertisement contained anything which, either directly or by implication, was likely to deceive or mislead the consumer and if it had been prepared with a due sense of social responsibility to consumers and to society.

The Complaints Board ruled the complaint was Not Upheld.

The Complaint

The Complaints Board reviewed the Complaint and the advertisement. It noted the Complainant said YouShop made “a number of claims that are untrue... They claim that they will repack items if it will save you money...However they will ‘only’ give you this service if you make formal complaints through their support channels. This is not the advertised service.”

The Advertiser’s Response

The Advertiser said YouShop evaluates all requests for items to be repacked and will only repack a parcel if the money saved on the international postage exceeds the repacking fee.

The Advertiser said there are a number of terms and condition which apply to this service. These include the following: “...a parcel will not be repacked if ... it does not have a weight difference greater than 2 kg” and “...we will not repack parcels marked ‘fragile’”.

The Advertiser said that in this particular case both items presented for repacking were not considered eligible for repacking, the first because it was under the required weight difference and the second because the item was deemed to be ‘fragile’.

The Advertiser said that, despite the fact that the two items did not meet the criteria for repacking, YouShop complied with the Complainant’s request to have the items repacked.

The Advertiser also said that as a result of receiving this complaint YouShop has updated its website to make information about the repacking service more accessible to future customers.

The Complaints Board’s Discussion

Having considered all the information provided the Complaints Board turned to consider whether the advertisement before it was misleading under Rule 2 of the Code of Ethics, Truthful Presentation.

The Complaints Board agreed that all the statements made in the advertisement were clearly explained and were not in breach of Rule 2 and had therefore been prepared with a due sense of social responsibility to consumers and to society.

The Complaints Board noted that the Advertiser had made some changes to its website to make the information about the repacking service more accessible to customers who may use this service in future.

Accordingly, the Complaints Board ruled to Not Uphold the complaint.

Decision: Complaint Not Upheld

DESCRIPTION OF ADVERTISEMENT

The website advertising for YouShop, a division of NZ Post, says “When a YouShop parcel arrives at our warehouse it will be assessed to see if it can be repacked. This is done by comparing the difference between the parcel’s volumetric weight and its actual weight. If the difference is greater than 2kg the parcel will be repacked.”

There are a number of terms and conditions which apply to this repacking service.

COMPLAINT FROM I. RYAN

YouShop which is a division of NZ Post make a number of claims that are untrue on their website.

They claim that they will repack items if it will save you money. This claim is made very prominently on all of their advertising media and on their websites. They claim this is a service they offer.

However after using YouShop it has come to my attention that they do not repack items. They will 'only' give you this service if you make formal complaints through their support channels. This is not the advertised service.

This has happened multiple times to me.

After searching online it has become apparent that this is not an unusual occurrence, Articles on sites like <https://www.consumer.org.nz/articles/blog-my-ill-fated-youshop-experience> also show them failing to repack items.

It appears that they are not repacking items as they can charge higher prices if they do not.

All of their advertising of this service is misleading and bordering on illegal.

CODE OF ETHICS

Basic Principle 4: All advertisements should be prepared with a due sense of social responsibility to consumers and to society.

Rule 2: Truthful Presentation - Advertisements should not contain any statement or visual presentation or create an overall impression which directly or by implication, omission, ambiguity or exaggerated claim is misleading or deceptive, is likely to deceive or mislead the consumer, makes false and misleading representation, abuses the trust of the consumer or exploits his/her lack of experience or knowledge. (Obvious hyperbole, identifiable as such, is not considered to be misleading).

RESPONSE FROM ADVERTISER, NEW ZEALAND POST LIMITED

I refer to your letter dated 1st November 2016 enclosing correspondence received from a NZ Post YouShop customer, Mr Ryan, who has complained about certain statements relating to repacking made on the YouShop website.

I also note your reference to Advertising Code of Ethics, Basic Principles 4:

All advertisements should be prepared with a due sense of social responsibility to consumers and to society.

Our YouShop service

To help provide some context to our response, I have first provided some background information on the nature of the YouShop service offered by NZ Post.

YouShop gives customers a delivery address on the ground in the UK (for shopping in Europe), the USA and China, allowing them to purchase items online that they couldn't get access to before, living in New Zealand (because many merchants require online shoppers to provide a domestic delivery address). When the consumer enters their YouShop address at the merchant's checkout, the merchant will then deliver the items to that YouShop address and NZ Post (working with our international logistics partners) then carries the item to New Zealand.

A component of YouShop is the repacking service, where we evaluate to see if a parcel can be repacked to reduce the amount of postage a customer needs to pay to send their parcel to New Zealand. We will only repack a parcel if the money saved on the international postage exceeds the repacking fee. The YouShop repacking service was introduced in August 2012 and, for shipments from the US, is carried out by our YouShop team based at our US warehouse.

To give you an example of how often the repacking service is used, in September 2016 around 14% of our parcels received in the US warehouse were deemed to be eligible for a repack and repacked accordingly.

To determine whether repacking is appropriate for the relevant parcel received into the warehouse, and also to ensure customers get value for money from the NZ\$4.50 repacking fee charged, our staff assess the parcel according to whether it can be safely cut down or transferred to a different type of packaging. The factors considered to make this decision are set out on our website -see link below. This is done by comparing the difference between the parcel's volumetric and actual weights. If the difference is greater than 2kg, the parcel

(Please refer https://support.nzpost.co.nz/app/answers/detail/a_id/790 attached as "**Exhibit 1**".)

Furthermore, staff will not repack the parcel if the repacking would interfere with the integrity of the packaging and the safety of the parcel, as all our items move via International freight.

As we state on our website, a parcel will not be repacked if:

- it contains clothing packaged inside a plastic packaging bag or satchel
- it does not have a weight difference greater than 2 kg
- it contains protective manufacturer's packing e.g. Styrofoam
- the contents are in manufacturer's branded packaging e.g. Shoe boxes
- the contents are leather items
- the parcel is sent to the YouShop USA warehouse containing automotive parts or accessories.

Section 7 of our Terms and Conditions states the following: (please refer <https://www.nzpost.co.nz/bsa/terms-conditions> and attached as "**Exhibit 2**". Italics added for emphasis:

"We may, but are not obliged to, repack Your Parcels without notice to you if we consider: The applicable international postage Charges for Your Parcels can be reduced by more efficient packing, including prior to consolidation; provided that we will not repack parcels containing any of the following at any time:

- leather products;

- Prohibited Items including flammable items such as perfume. These will be dealt with in
- accordance with clause 4;
- parcels that have been gift wrapped and/or marked 'gift';
- parcels marked 'fragile`;
- items packaged with protective cushioned packaging material, if in our reasonable opinion these
- cannot be repacked without compromising the security of the contents;
- Items packed within a satchel or plastic packaging bag e.g Clothing etc.

You will pay our applicable Charges for any repacking.

Any such repacking of Your Parcels may mean the return, refund or exchange policy of the Merchant for items in Your Parcel is invalid, void or cancelled."

If a customer requires clarification, we encourage them to email our Customer Support team at any time with questions and the email address is displayed at the bottom of the FAQ. (refer "Exhibit 1").

Mr Ryan's complaint

We have looked specifically at the items Mr Ryan wished to have repacked. In one scenario (Item: 9405509699939235211540(Tool)) we found that the difference between the volumetric weight and the actual weight was not greater than 2kg — the actual difference being 1.8kg. In the other scenario (Item: 9405509699939272028460 (an automotive accessory), the difference was 2.2kg however the item was deemed to be `fragile'. Therefore, as both items were considered not eligible for repacking, and because of the negligible savings on international postage (not outweighing the repacking fee), the decision was made not to repack Mr Ryan's items.

However once Mr Ryan contacted YouShop and requested his items to be repacked in any case, our YouShop team arranged for repacking to be done. While we don't consider that our service terms are confusing and also while we are firmly of the view that there is sufficient information shown on our website detailing when our repacking service will apply, we are concerned that Mr Ryan has not had a positive customer experience. Therefore, in an effort to make the accurate information more accessible to future customers, and also having regard to Basic Principle 4, we have updated our website to provide a link through to the repacking information from the original front page of the website referred to by Mr Ryan in his complaint. (Please refer to "**Exhibit 3**" attached.)

Changes made to the website are highlighted in both "**Exhibit 1**" and "**Exhibit 3**".