

COMPLAINT NUMBER	17/004
COMPLAINANT	D Appleton
ADVERTISER	MyRepublic
ADVERTISEMENT	MyRepublic Website
DATE OF MEETING	25 January 2017
OUTCOME	Not Upheld

SUMMARY

The MyRepublic website and Facebook advertisements for the “Gamer Ultra PS4” broadband plan offers a free Playstation4 (PS4) when a customer signs up to a contract term of 24 months. This offer also includes a free router, install and gamer features.

The Complainant said the advertisement was misleading because the “free PS4” which accompanies the offer is not really “free”. This is because the cancellation fee, in the event of the broadband plan being cancelled within 24 months, equals the cost of the PS4.

The Advertiser said the advertisement was not misleading because the customer receives a free PS4 (and other items) when they agree to a contract term of 24 months. If a customer does not complete the contract term they are charged an early termination fee, to cover the cost of the free items, including the cost of the PS4.

The Complaints Board agreed that as the contract terms and conditions were clearly expressed and available to the customer prior to purchase, the advertisement 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 Advertising Code of Ethics.

This required the Complaints Board to consider whether the advertisement had been prepared with a due sense of social responsibility to consumers and to society and whether the advertisement was misleading.

The Complaints Board ruled the complaint was Not Upheld.

The Complaint

The Complaints Board noted the Complainant's concerns that the advertisement was misleading because the "free PS4" which accompanies the offer is not really "free". This is because the cancellation fee, in the event of the broadband plan being cancelled, equals the cost of the PS4.

The Response

The Complaints Board acknowledged the response of the Advertiser, who believes their digital marketing did not breach the Advertising Standards Authority Code of Ethics and the advertisement is a truthful presentation of the Gamer Ultra PS4 plan.

The Advertiser said the customer receives a free PS4 (and other items) when they agree to a contract term of 24 months. If the customer does not complete the contract term they are charged an early termination fee, to cover the cost of the free items, including the cost of the PS4.

The Advertiser said information about these conditions is available on their website.

The Complaints Board Discussion

Having considered all the information provided, the Complaints Board turned to consider whether the advertisement had breached Basic Principle 4 or Rule 2 of the Code of Ethics.

The Complaints Board noted that the terms and conditions of the Gamer Ultra PS4 plan were available to the complainant before they purchased the broadband plan.

The Complaints Board noted that the advertisement included information about the 24 month term and the early termination fee. The Complaints Board said the "free" gift is only free if the customer completes the term of the 24 month contract.

The Complaints Board agreed that as the contract terms and conditions were clearly expressed and available to the customer prior to purchase, the advertisement was not misleading.

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

DESCRIPTION OF ADVERTISEMENT

The MyRepublic website and Facebook advertisements for the "Gamer Ultra PS4" broadband plan offers a free Playstation4 with a contract term of 24 months. The offer also includes a free router, install and gamer features.

COMPLAINT FROM D APPLETON:

My Republic claims to offer customers a free PS4 when signing up for broadband but the PS4 is actually higher purchase.

FURTHER CLARIFICATION FROM D APPLETON:

MyRepublic offers a free PS4 on sign up for their gamer broadband plans but the plans don't offer a free PS4 but a PS4 on higher purchase with a cancellation fee equalling the cost of the PS4. Their advertisements are blatantly dishonest and offer uncompetitive broadband

prices with the price equating to a standard broadband contract coupled with a PS4 higher purchase price. The adverts are on their website, Facebook and other outlets offering a "free" PS4 but it isn't free, it's a dishonest marketing ploy that lies to consumers.

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

MyRepublic includes a Free PlayStation 4 on our Gamer Ultra PS4 plan. The customer can choose an alternative plan for a shorter contract term that does not include a PlayStation 4. We believe our digital advertising represents a truthful presentation of the Gamer Ultra PS4 plan.

MyRepublic offers a range of products that include different speeds, bundled items and contract terms. The product we offer a free PlayStation4 (PS4) on is our 'Gamer Ultra PS4' plan (highlighted in yellow), with a contract term of 24 months, free router, install and gamer features.

	Gamer Ultra 12 Term	Gamer Ultra 24 Term	Gamer Ultra PS4
Cost Per Month	\$134.99	\$134.99	\$134.99
Speed	950/500Mbps	950/500Mbps	950/500Mbps
Term	12-Month	24-Month	24-Month
Router	Discounted Hub+	Free Hub+	Free Hub+
Install	Free	Free	Free
Bundle Item	Not Included	Not Included	Free PS4
ETF	\$249	\$299	\$499

We offer other Gamer Ultra products for the same monthly price for a different contract term and without a free PS4. Each product includes an early termination fee to cover the cost of the free items if the customer does not complete their contract term. These conditions are presented on our website (attachments A&B), allowing customers to choose the term that best suits them. Additionally, the complainant presents screenshots of our Pure 100Mbps and Pure Ultra products at a cheaper price point. Our Pure products are different from the Gamer products, which include alternative items and features.

For these reasons, we do not believe our digital marketing breaches the ASA Code of Ethics – Basic Principle 4, Rule 2.