

<b>COMPLAINT NUMBER</b>	17/015
<b>COMPLAINANT</b>	T Beale
<b>ADVERTISER</b>	Brand Developers Ltd
<b>ADVERTISEMENT</b>	Powerfit Television
<b>DATE OF MEETING</b>	20 February 2017
<b>OUTCOME</b>	No Grounds to Proceed

**Advertisement:** The television infomercial for Powerfit opens with the words "Stay tuned to find out how you can get an eight piece "taste the difference" non-stick cookware set, plus a 30 day trial of triple action burner, they could both be yours free". The advertisement ends with: " ... Don't miss this incredible opportunity to try the amazing Powerfit on a 30 day risk free trial for only \$14.99.... This offer is not available in stores so call now."

**The Chair ruled there were no grounds for the complaint to proceed.**

**Complainant, T Beale, said:**

Recently I took advantage of an offer made through the TV Shop which offered a 30 day trial if I was not convinced in their product which was an electric weight loss machine. This was on a \$15.00 down payment and I would have the machine for 30 days.

The offer came with a free gift of pottery if I finally accepted.

On my initial enquiry I was informed that the machine would cost \$890.00 with the free box of pottery included.

On finding out from another source that there was an identical product supplied from another Company for \$379.00 with a free gift of a Yogo mat, I naturally purchased theirs.

My question to you people is there a bit of dodgy advertising going on from the TV Shop where they are ending up giving in one hand and taking with the other? In other words are they adding the cost of the free gift of pottery on to the main item and end up making two sales? The discrepancy of \$ 890.00 to \$379.00 seems to speak for itself?

I live in a Rest Home and am 92. I speak not only for myself but for the many residents here and elsewhere who unfortunately can be taken by the word of "Gift"?

Many of my friends at my RSA think as I do. Your answer therefore would be greatly appreciated by us all.

*In a second email the Complainant said:*

I omitted to include that on hearing that I was returning the weight loss machine to the TV Shop a lady phoned me and offered a reduced price from the \$890.00 to \$ 620.00 if I was to keep it? Naturally I declined. Makes me wonder, though?

**The relevant provisions were Code of Ethics - Basic Principle 4, Rule 2.**

**The Chair** noted the Complainant's concerns the Advertiser might be adding the cost of the free gift of non-stick cookware to the main item, the Powerfit machine and the advertisement was therefore misleading about the 'free' gift.

The Chair took into account the Complainant's experience and the discount offered when they indicated they were going to return the product they had used for the trial period. The Chair also noted the cost comparison the Complainant made with what in their view was the same or a similar product.

The Chair said Advertisers are free to decide on the price of a product, regardless of what other similar products may be available on the market.

In response to a query from the Secretariat, the Chair noted the information provided by the Advertiser, who said the price for the product "is exactly the same if they take the free gifts or not".

While the Complainant considered their experience showed the price of the Powerfit product was increased to include the free gift offered with it, the Chair did not agree. The Chair said that the advertisement promoted a product and a free gift for a price set by the Advertiser, and this was permitted. There was no evidence that the Advertiser had disguised the cost of a "free gift" by including it in the selling price of the advertised goods.

The Chair ruled the advertisement had been prepared with a due sense of social responsibility to consumers and there was no apparent breach of Basic Principle 4 or Rule 2 of the Code of Ethics. Accordingly, the Chair ruled there were no grounds for the complaint to proceed.

**Chair's Ruling:** Complaint **No Grounds to Proceed**