

<b>COMPLAINT NUMBER</b>	18/030
<b>COMPLAINANT</b>	T Shirriffs
<b>ADVERTISER</b>	Noel Leeming Group Ltd
<b>ADVERTISEMENT</b>	Noel Leeming Group Ltd, Digital Marketing
<b>DATE OF MEETING</b>	13 February 2018
<b>OUTCOME</b>	Upheld

## SUMMARY

The Noel Leeming website, [www.noelleemng.co.nz](http://www.noelleemng.co.nz) Boxing Day sale included various products with 12 months interest free stickers attached.

The Complainant was concerned the advertisement was misleading to consumers who were not aware that a specific Gem Visa card was required in order to capitalise on the 12 month interest free offer being promoted.

The Advertiser highlighted how it alerted customers to the instore sale signs and promotion banners on the website which contained an asterisk or similar symbol next to the interest free words to draw the customer's attention to the fact that terms and conditions apply. The Advertiser did note the Complainant's point that the product pages of the website did not contain the same prompt that conditions applied.

The Advertiser stated it was reviewing how finance offers were advertised on its sites and instore promotions.

The Complaints Board agreed that without a clear disclaimer indicating terms and conditions applied, the interest free offer on the product page of the website advertisement could mislead consumers by not making it clear the offer was made in conjunction with a finance partner. Therefore, it said the advertisement displayed was in breach of the Rule 2 requirement for truthful presentation and had not been prepared with the due sense of social responsibility required by Basic Principle 4 of the Code of Ethics.

The Complaints Board ruled the complaint was Upheld.

### **[Advertisement to be removed]**

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

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## 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 of Ethics. This required the Complaints Board to consider whether 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 Upheld.**

#### **The Complaint**

The Complainant was concerned the advertisement was misleading to consumers who were not aware that a specific Gem Visa card was required in order to obtain the 12 month interest free offer.

#### **The Advertiser's Response**

The Advertiser said it had considered the Complainant's concerns in conjunction with a review of how such offers were advertised on its sites and point of sale instore offers.

It noted and provided examples of the instore sale signs and promotion banners on the website which contained an asterisk or similar symbol next to the interest free words to draw the customer's attention to the fact that terms and conditions apply. The Advertiser acknowledged the product pages on the website viewed by the Complainant did not make it clear which finance partner was offering the service or point the customer to the terms and conditions.

#### **The Complaint's Board Discussion**

The Complaints Board discussed the consumer takeout of the advertisement before it and agreed that for consumers who were not familiar with finance partnership arrangements, the advertisement did not make it clear that conditions applied to the interest free offer.

The Complaints Board said the advertisement displaying offers on the product page of the Advertiser's website needed to include an asterisk or indicator that special terms and conditions applied to the interest free offer. It did not consider the payment option tab alone was a sufficient indicator that finance conditions applied.

The Complaints Board noted the Advertiser's response said that on conclusion of a internal review it will ensure the relevant information was made clearer and more easily available to customers.

The Complaints Board agreed that without a clear disclaimer indicating terms and conditions applied, the interest free offer on the website advertisement could mislead consumers by not making it clear the offer was made in conjunction with a finance partner. Therefore, it said the advertisement as displayed was in breach of the Rule 2 requirement for truthful presentation and had not been prepared with the due sense of social responsibility required by Basic Principle 4 of the Code of Ethics.

Accordingly, the Complaints Board ruled the complaint was Upheld.

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### **DESCRIPTION OF ADVERTISEMENT**

The Noel Leeming website, [www.noelleemng.co.nz](http://www.noelleemng.co.nz) had boxing day sales on various products with 12 months interest free stickers attached.

### **COMPLAINT FROM T SHIRRIFFS**

Went online to check Noel Leeming's Boxing Day sales. Saw 12months interest free stickers on many items, including the one attached. Saw no small print relating to 12 months interest free, however when we went to pay a Gem Visa was required. I told them the advertising

was not clear and did not say I required a Gem Visa to receive 12 months interest free. The salesperson claimed it was common knowledge that a credit card would be needed, yet I saw nothing online or in store that told me I would need one to get the 12 months interest free. I feel Noel Leeming could be more up front and open about this.

## 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 – NOEL LEEMING GROUP LTD

We have reviewed T Schirrieffs complaint in regards to the Noel Leeming Online/Digital Marketing (“NL Online”) promotions for Boxing Day 2017 where various Interest Free offers were made on certain products across our network of stores, online on our website and mobile device viewable site.

T Shirrieffs complaint is in relation to the finance offers not being clear as to all the requirements for these offers while shopping either in-store or on our website and/or mobile device viewable site. We have reviewed T Shirrieffs complaint, in conjunction with a review of how we are advertising these offers on our sites and in our point of sale in our stores.

Noel Leeming offers different lengths and styles of finance through several different finance partners, these partners being Marble Finance and Gem Visa or Gem Creditline. Offers made at any one time are contingent on the customers meeting the set credit criteria for the finance partner making that particular offer. We also note that these partners offer different styles of finance, with Marble Finance offering a traditional style of finance and Gem Visa or Creditline offering Interest Free finance offers. Both styles of finance/credit are offered throughout the retail industry.

We note that in our point of sale in-store, and also on any website promotion banners at the top of our pages that an asterisk, or other similar symbol, is used next to the “interest free” words to draw the customer’s attention to the fact that Terms and Conditions apply. See image 1 & 2 **attached** examples of a current banner on our website which shows the symbol and then the symbol with the words “Ts&Cs apply”. This is a commonly used practice across the retail industry to draw the customers attention to other relevant information for the offer.

All finance offer Terms and Conditions are available for the customer to view - in-store they are available at the service counters. If the customer is interested in this option while shopping in-store, they are supplied with the relevant form and/or a computer terminal to review the details of the finance offer and complete the process to obtain finance. We believe this is fairly standard across the retail industry.

Finance offers made on our website are available to view at all times under the “Payment Options” tab in the bottom part of any webpage the customer is on (see image 3 of **attached** example), including the product pages. The different offers are summarised on that landing page, with a full click-through link for the customer to go to the details page where the finer details are laid out, as well as links for the customer to complete a finance application should

they wish to use this option. Again, this appears to be fairly standard across the retail industry.

On reviewing the way in which we display the interest free offers on our 'product' pages viewable on our website and on mobile devices, we do note T Shirriffs point that it is not clear to them which finance partner the offer is being made through. The roundel which we use on the product image to show that a finance offer is available, i.e. 24, 36 or 60 months, is not explicit that it is a Gem Visa or Creditline offer. We also note that this did not contain our standard asterisk or the accompanying legend that Ts&Cs apply. However, we do note that the "payment options" tab is available at the bottom of each page as a standard and, as noted above, this is where relevant information is held for any payment or financing offer.

We are currently reviewing how the finance offers are shown on these product pages on our website and mobile device viewable pages in order to make it clearer to the customer what offer is being made, that terms and conditions apply to any offer as well as considering how we can direct the customer to all the relevant information from these product pages.

In this instance we believe that the relevant information is readily available for the customer both in-store and on our website and mobile device viewable pages in line with other retail practices across the industry, however we do agree that we could be clearer on our 'product' specific pages in regards to finance offers being made and where to find information about these offers. Upon completing the review as noted above we will ensure that the relevant information is clearer and more easily reached from these pages also.

We trust that the above information is sufficient in response to this complaint. Please let us know if you require further information in this matter.