

<b>COMPLAINT NUMBER</b>	18/178
<b>COMPLAINANT</b>	M Kerr
<b>ADVERTISER</b>	The Warehouse Limited
<b>ADVERTISEMENT</b>	Torpedo7 Group Limited, Digital Marketing
<b>DATE OF MEETING</b>	18 June 2018
<b>OUTCOME</b>	Settled- advertisement changed

**Advertisement:** The Torpedo 7 website, [www.torpedo7.co.nz](http://www.torpedo7.co.nz), advertised "36 months interest free on any purchase over \$499." The accompanying terms and conditions for the offer stated "All weekly payments are indicative only for that item and are based on a term of 36 months, with the first 12 months interest free followed by 24 months at an interest rate of 22.3% and include a \$1.75 monthly service fee and a \$55 establishment fee."

**The Chair ruled the complaint was Settled.**

**Complainant, M Kerr, said:** Torped7 is advertising "36 months interest free". When you read the terms & conditions it says 12 months interest free with 36 months to pay it off. The remaining 24 months has 22% on it.

**The Advertiser, Torpedo7 Group Limited, said:** We have reviewed M Kerr's complaint in regards to the Torpedo7 Online Marketing ("T7 Online") promotion on 28 May 2018 where a 36 Months Interest Free offer was advertised and available across our network of stores, online on our website and mobile device viewable site.

M Kerr's complaint is in relation to the finance offer not actually being correct in that the 36 month term offered includes only 12 months free and the remaining 24 months charged interest at 22%. We note that as well as filing a complaint with yourselves, M Kerr posted a social media message on the local Queenstown Facebook page regarding this finance offer.

We have now reviewed M Kerr's complaint in conjunction with a review of how this finance offer was advertised and advise that at the time of the offer going up on our site our team member, who is new to the business, was unaware that the Terms and Conditions also needed to be updated in order to reflect the new finance offer terms which related to this offer.

M Kerr's social media posting to the local Queenstown Facebook page was viewed by our local Store Manager who is also a member of that page. Upon seeing this posting, our Store Manager contacted our office to alert us to the issue. Our Store Manager also made contact with M Kerr at that time, clarifying the deal and advising that the details were being updated.

Upon receiving notice from our local Queenstown Store Manager, our Marketing team reviewed and confirmed the correct details and these were updated to our website's Finance page which linked to this offer on Tuesday, 29 May 2018. Any customers who wished to take up this finance offer in-store would have been offered this with the correct terms and conditions applied, i.e. 36 months interest free.

In this instance the details of the finance offer not being updated were simple human error as our new team member was unaware that they needed to do this. As this was the case, we have now updated our process and added a checklist for instances where we are making special finance offers to ensure that we do not have an issue such as this in future.

**The relevant provisions were Code for Financial Advertising - Guideline 2 (a), Principle 1, Principle 2;**

**The Chair** noted the Complainant's concern the Advertiser's website contained conflicting information relating to its 36 month interest free offer, which made the advertising misleading.

The Chair took into account that the Advertiser acknowledged an error had been made and once it was alerted to the error, it had made changes to the website, adding the correct terms and conditions.

Given the Advertiser's co-operative engagement with the process and the self-regulatory action taken in amending the website to include the correct terms and conditions, the Chair said that it would serve no further purpose to place the matter before the Complaints Board. The Chair ruled that the matter was settled.

**Chair's Ruling:** Complaint **Settled – advertisement changed**

#### **APPEAL INFORMATION**

According to the procedures of the Advertising Standards Complaints Board, all decisions are able to be appealed by any party to the complaint. Information on our Appeal process is on our website [www.asa.co.nz](http://www.asa.co.nz). Appeals must be made in writing via email or letter within 14 days of receipt of this decision.