

COMPLAINT NUMBER	21/163
ADVERTISER	Arvida Group
ADVERTISEMENT	Copper Crest Lifestyle Village, Brochure
DATE OF MEETING	1 May 2021
OUTCOME	Settled- advertisement amended

Advertisement: The Arvida brochure advertisement promotes the Copper Crest lifestyle village. The brochure details 'How to get started' and talks about the Use-now-pay-later (Occupation Right Agreement - ORA) payment plan.

The Chair ruled the complaint was Settled.

Complaint: I have been investigating places to possibly place my wife who is failing in health and looking at the various local options in the various retirement villages' aged care facilities. I wish to lodge a complaint regarding the content of Arvida's advertising brochure "Copper Crest Care Suites" that they have issued to visitors to their grand opening last weekend and issuing to enquirers that I consider false advertising similar to the Ryman's one regarding calling their ORAs entry payments as "Usenow- pay-later" when they are clearly paid for up-front prior to entry. I attach a copy of pages 21-22 of their glossy brochure where the offending description is highlighted. I also hereunder insert the clear statements from their latest Disclosure Statement (DS) and ORA that contradicts the false advertising: DS 8 March 2021 Clause 1 p.3: When you move into the Village you pay us an Entry Payment for your right to live there. and Cl 9 p.15: Entry Payment To secure an interest in a Unit, you must pay us an Entry Payment. And Cl 9 p.16: Exit Payment After the ORA is terminated, we pay to you the Exit Payment, which is an amount equal to the Entry Payment, subject to the following deductions: · A Deferred Management Fee or DMF of a maximum amount of 30% of the Entry Payment. The DMF is charged and payable to us on the Exit Payment Date. ORA 8 March 2021 Clause 1.5 p.3: Entry Payment On the Commencement Date you will pay us an Entry Payment of \$(insert amount]. And Cl 1.6 p.4: Exit Payments On the Exit Payment Date we will pay you your Exit Payment of \$[insert amount) less the following deductions: Deferred Management Fee (DMF): A maximum amount of \$(insert amount) which is equal to 30% of the Entry Payment. The DMF is charged and payable to us on the Exit Payment Date. The above is confusing as it is in fact paid up-front and only calculated as a deduction from the entry payment to get the exit payment payable to the resident(s).

The relevant provisions were Advertising Standards Code - Principle 2, Rule 2(b);

The Chair noted the Complainant was concerned the advertisement was making misleading claims with regards to Occupation Right Agreement payment plan.

The Chair accepted the complaint to go before the Complaints Board to consider whether the Advertising Standards Code had been breached. As part of the self-regulatory process, Advertisers have the option of amending or removing their advertising to comply with the Advertising Codes.

Upon receipt of the complaint, the Advertiser amended the advertisement, removing the references to “Use now, pay later” which were of concern.

Given the Advertiser’s co-operative engagement with the process and the self-regulatory action of amending the advertisement, 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 amended**

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. Appeals must be made in writing via email or letter within 14 calendar days of receipt of this decision.