

COMPLAINT NUMBER	20/189
ADVERTISER	Flick Electric Co
ADVERTISEMENT	Flick Electric Co Radio
DATE OF MEETING	11 May 2020
OUTCOME	No Grounds to Proceed

Advertisement: The voiceover in the radio advertisement for Flick Electric says “...With Flick Electric you can pay the true wholesale cost of your power, not whatever your power company decides...”

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

Complaint: Flick Electric Company state they are offering Wholesale Prices on all their adverts when in fact they are not wholesale. This is misleading. They have started a new campaign that I hear several times a day on News Talk ZB I listen mainly in the morning, 5am-7am. Here is a YouTube link to a similar advert <https://www.youtube.com/watch?v=YGfM-8uAOHo>

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

Principle 2: Truthful Presentation: Advertisements must be truthful, balanced and not misleading.

Rule 2 (b) Truthful Presentation: Advertisements must not mislead or be likely to mislead, deceive or confuse consumers, abuse their trust or exploit their lack of knowledge. This includes by implication, inaccuracy, ambiguity, exaggeration, unrealistic claim, omission, false representation or otherwise. Obvious hyperbole identifiable as such is not considered to be misleading.

The Chair noted the Complainant’s concerns the advertisement was misleading.

The Chair referred to a precedent decision, 17/439, regarding a television advertisement for Flick Electric, which also refers to the “wholesale” price of electricity.

In that television advertisement the voiceover states “This is the very moment Audrey understood that more than 20,000 Kiwis were paying the actual wholesale price of their power, but she was still paying whatever fixed price her company felt like.”

The Complaints Board accepted the use of the term “wholesale price” to describe the pricing structure offered by Flick Electric Co. The Board agreed there was sufficient information provided to potential consumers throughout the sign-up process to ensure they were adequately informed about the benefits and risks of the wholesale electricity market and spot pricing.

Turning to the complaint before her the Chair said the use of the phrase “the true wholesale cost of your power” in the advertisement was not misleading. The Chair noted the Electricity Authority definition of spot pricing which is: “a spot price is the price retailers pay when they buy electricity from the wholesale market. Spot prices change every half-hour and can vary

quite dramatically depending on supply and demand. Typically spot prices are higher during winter, and weekdays at breakfast and dinner time.” The Chair noted the spot pricing method of charging for electricity varies from the more traditional fixed rate pricing.

The Chair said the advertisement was not likely to mislead or deceive consumers and was not in breach of Principle 2 or Rule 2(b) of the Advertising Standards Code.

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

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

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.