

RUGBY WORLD CUP 2011 IS COMING. WILL YOUR BUSINESS BE PLAYING BY THE RULES?

The Rugby World Cup is one of the largest sporting events in the world and 85,000 international visitors are expected on our shores as we play host later this year.

Like all New Zealanders, the Commerce Commission wants visitors' experiences to be memorable for all the right reasons. This means helping ensure that businesses are competing on a level playing field and that consumers can make informed choices when buying goods or services.

THE FAIR TRADING ACT

Honest businesses are disadvantaged when consumers are misled into buying a competitor's products or services due to false or misleading advertising practices, which means competition isn't effective.

The Fair Trading Act prohibits misleading or deceptive conduct, false representations and unfair practices in trade. It applies to all aspects of the promotion and sale of goods and services – from advertising and pricing to sales techniques and financing.

While the Fair Trading Act does not oblige you to provide information to consumers in all circumstances, you must ensure that the information you do provide is accurate, and that important information is not withheld.

You also need to make all efforts to ensure that any representations made about your goods or services on your website, or through third parties, such as a booking agent or an online booking engine, are kept up to date and accurate.

The Fair Trading Act prohibits misleading or deceptive conduct, false representations and unfair practices in trade.

You could be breaching the Fair Trading Act if you...

- advertise car hire for \$30 a day, but then charge an additional \$10 a day for roadside assistance and don't make those additional costs clear upfront
- make misleading claims or give a misleading impression about the country of origin of goods you're selling (if they're not New Zealand-made, you shouldn't imply that they are)
- advertise room rates through an online accommodation website, but don't keep pricing or availability details up to date.

THE COMMERCE ACT

The Commerce Act promotes effective competition in New Zealand markets. It does this by prohibiting anti-competitive agreements between businesses, such as agreements to fix prices or to carve up markets, and makes it illegal for companies to take advantage of substantial market power.

While RWC 2011 provides a lot of opportunities for businesses to work together to provide a world-class tourism experience for visitors, care needs to be taken to ensure any agreements reached are legal, and don't have the effect of restricting competition.

You could be breaching the Commerce Act if you...

- get together with your competitors and agree a minimum price to charge for your goods or services during RWC 2011.

For more information visit www.comcom.govt.nz/rwc

Other fact sheets can be downloaded from www.comcom.govt.nz/anti-competitive-practices and www.comcom.govt.nz/fair-trading

CONTACT

Contact the Commerce Commission with information about possible breaches of the Commerce Act.

TELEPHONE

Our Contact Centre during office hours on 0800 943 600

WRITE

To us at Contact Centre, PO Box 2351, Wellington 6140

EMAIL

Us at contact@comcom.govt.nz

This fact sheet is a guideline only and reflects the Commission's view. The publication is not intended to be definitive and should not be used instead of legal advice. It is businesses' responsibility to remain up to date with legislation.

Only the courts can make an authoritative ruling on breaches of the Commerce and Fair Trading Acts.