

30 September 2025

PDM Trading Limited and Silk Road Retail NZ Limited,  
[REDACTED]  
[REDACTED]

Attention: [REDACTED]

Care of: [REDACTED]

By email only: [REDACTED]

Dear [REDACTED]

## Fair Trading Act 1986: Stop Now Letter

1. As you are aware, the Commerce Commission (**Commission**) is investigating whether PDM Trading Limited (**PD Mart Auckland**) and Silk Road NZ Retail Limited (**PD Mart Christchurch**) (collectively the **PD Mart Stores**) has supplied, offered to supply or advertised to supply goods<sup>1</sup> in breach of the Fair Trading Act (**FTA**). The Commission has entered enforceable undertakings with the PD Mart Stores<sup>2</sup> while its investigation is ongoing.
2. Recently, the Commission has purchased ten children's car restraints comprising seven unique models (**the Car Seats**)<sup>3</sup> from the PD Mart Stores and has requested information from the PD Mart Stores about the car seats it has supplied.<sup>4</sup>
3. By supplying the Car Seats which feature representations that the Car Seats comply with certain approved safety standards we are concerned that the PD Mart Stores have engaged in and are continuing to engage in conduct which likely breaches the FTA and poses a potential safety risk to New Zealand children, as we have concerns

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<sup>1</sup> The Commission's investigation has largely focussed on PD Mart's supply or possible supply of goods which may not comply with mandatory Product Safety Standards (**PSS**) and Unsafe Goods Notices (**UGN**). It is an offence under sections 30(1) and 31(5) of the FTA to supply goods which do not comply with any applicable PSS and UGN. There is no approved PSS or UGN relating to car seats.

<sup>2</sup> The enforceable undertakings are available here:  
[https://www.comcom.govt.nz/\\_data/assets/pdf\\_file/0023/366134/PDM-Trading-Limited-and-Silk-Road-NZ-Retail-Limited-TA-PD-Mart-Enforceable-Undertakings-6-May-2025.pdf](https://www.comcom.govt.nz/_data/assets/pdf_file/0023/366134/PDM-Trading-Limited-and-Silk-Road-NZ-Retail-Limited-TA-PD-Mart-Enforceable-Undertakings-6-May-2025.pdf).

<sup>3</sup> The seven car seats appear to be models Q5, G401, G405, G410, LB-828, 11630 and an unknown model (SKU number: 6868109115247).

<sup>4</sup> The Commission's requests for information to PD Mart Auckland and PD Mart Christchurch have also related to other products which it considers may not comply with PSS and UGN.

the Car Seats do not comply with the safety standards as represented. We urge the PD Mart Stores to take urgent steps to address our concerns.

4. In relation to the Car Seats, this letter:
  - 4.1 Sets out the nature of our concerns about compliance with the FTA;
  - 4.2 Requests that the PD Mart Stores immediately stop and do not recommence engaging in the specified conduct; and
  - 4.3 Sets out the potential consequences of failing to comply with the Commission's request(s) in this letter.

### Nature of our concerns

5. The Commission has concerns arising from PD Mart Stores' supply of the Car Seats which purport to comply with certain safety standards, which we believe is likely to breach certain sections of the FTA.<sup>5</sup>

### Steps taken

6. During our investigation, we have:
  - 6.1 Requested information from the PD Mart stores about its supply of car seats;
  - 6.2 Identified that the Car Seats supplied by PD Mart feature stickers which indicate and represent that they comply with an approved European car seat safety standard, **ECE R44.04**<sup>6</sup> or **ECE R129**<sup>7</sup> (collectively the **Car Seat Standards**);<sup>8</sup>
  - 6.3 Purchased Car Seats from PD Mart Auckland and PD Mart Christchurch;
  - 6.4 Undertaken initial assessments of the Car Seats; and
  - 6.5 Identified that the Car Seats do not appear to comply with the Car Seat Standards.
7. The Commission's most significant immediate concerns with the Car Seats are set out below. Please note that this is not an exhaustive summary of our concerns. Our

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<sup>5</sup> The relevant sections of the FTA are set out at **Attachment A**. The letter does not relate to the other aspects of the investigation which are ongoing.

<sup>6</sup> ECE R44.04 Safety Standard is available here: [E/ECE/324/Rev.](#)

<sup>7</sup> ECE R129 is available here: [unece.org/sites/default/files/2021-05/R129r4e.pdf](https://unece.org/sites/default/files/2021-05/R129r4e.pdf).

<sup>8</sup> ECE R44.04 and R129 are approved safety standard for use in New Zealand. For more information see: AA's website, available here: <https://www.aa.co.nz/about/safer-vehicles/vehicle-safety-for-children/> or the New Zealand Transport Authority's Fact Sheet on child restraints, available here: <https://www.nzta.govt.nz/assets/resources/factsheets/07/docs/07-child-restraints.pdf>.

investigation is ongoing; we may identify further reasons why we do not consider the Car Seats comply with the Car Seat Standards as our investigation progresses.

*The representations on the Car Seats*

8. The Car Seats feature stickers and/or other representations (for example in instruction manuals, where provided) which indicate that they comply with one of the Car Seat Standards. Specifically:<sup>9</sup>
  - 8.1 Eight of the car seats include a sticker which indicates compliance with ECE R44.04;
  - 8.2 One of the car seats includes a sticker which is similar in nature to the ECE R44.04 stickers mentioned above, and the product manual supplied with the car seat indicates that it complies with ECE R44.04; and
  - 8.3 One of the car seats includes a sticker which indicates compliance with ECE R129.

*The failure to follow the requirements of the Car Seat Standards*

9. After reviewing the requirements of ECE R44.04, we do not consider that the nine car seats which purport to comply with ECE R44.04 comply because:
  - 9.1 All nine of these car seats supplied failed to have required information visible at the point of sale without removing the packaging;
  - 9.2 One of the car seats supplied failed to have a required warning on the seat itself about the minimum weight limit for children using the seat in the forward facing position;
  - 9.3 Two of the car seats supplied were not provided with any instructions about their safe use and installation; and
  - 9.4 Four of the car seats supplied to the Commission include warning labels that can be or are obscured when in use.
10. After reviewing the requirements of ECE R129, we do not consider that the car seat which purported to comply with ECE R129 complies because the product:
  - 10.1 did not specify the maximum occupant mass;
  - 10.2 includes a warning label that is or can be obscured when in use; and
  - 10.3 did not include information about safe use and the manufacturer's details on the exterior packaging.

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<sup>9</sup> Examples of the photos of the stickers affixed to some of the car seats are available at **Attachment B**.

*False or misleading representations that the PD Mart Stores are supplying car seats which comply with ECE R44.04 or ECE R129*

11. We consider that the stickers affixed to the Car Seats (or instructions, where applicable) are representations that are intended to convey that the Car Seats comply with the Car Seat Standards.<sup>10</sup>
12. Our initial assessment of the Car Seats has indicated that, at a minimum, they all fail to comply with some of the Car Seat Standards' informational requirements. The informational requirements include important information about warnings and how to safely use and install car seats.
13. We consider that this conduct is likely to breach sections 10, 13(a) and/or 13(e) of the FTA.

#### **Request to stop and not recommence conduct**

14. The Commission requests that the PD Mart Stores:
  - 14.1 Immediately cease offering to supply the Car Seats noted in this letter and any other car seats it has supplied or intends to supply that are non-compliant with safety standards; and
  - 14.2 Undertake a voluntary recall of Car Seats noted in this letter and any other car seats it has supplied to New Zealand consumers that are non-compliant with safety standards.<sup>11</sup>

#### **Further information on the request to stop and not recommence the conduct**

15. The Commission's immediate objective is to protect New Zealand children from a possible risk of harm.
16. Although the PD Mart Stores have previously responded to the Commission's request for information relating to the car seats,<sup>12</sup> Commission staff:
  - 16.1 identified and purchased car seats from PD Mart Auckland and PD Mart Christchurch on 12 September 2025; and

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<sup>10</sup> For example:

- 5.4 of ECE R44 indicates the Approvals that suitable child restraints shall feature an international approval mark which consists of the letter E and an approval number (amongst other things); and
- NZTA's fact sheet on Child Restraints indicates that "an E mark shows the restraint meets the European Standard ECE 44 or ECE 129" (available here: [Factsheet 07 - Child restraints - May 2021](#)).

<sup>11</sup> Recalls can be initiated through Product Safety. Further information is available here:

<https://www.productsafety.govt.nz/for-businesses/product-recalls-information-for-businesses>.

<sup>12</sup> Including providing information on the numbers supplied and providing some test reports which purport to show that the products have been tested against and comply with the European Safety Standards.

- 16.2 undertook initial assessments which indicate that these Car Seats do not comply with some of the Car Seat Standards' requirements.
17. The Commission's initial assessment of the Car Seats identified a range of informational failings which in our view mean that the products do not comply with the Car Seat Standards. Please note, the Car Seats' failure to comply with the Car Seat Standards may not necessarily be limited to the informational failings detailed in this letter.
  18. We believe that the informational failings detailed above create a greater potential for the Car Seats to be used and/or installed incorrectly, leading to a real risk of physical harm to New Zealand children.
  19. The Commission reserves the right to take other steps<sup>13</sup> to ameliorate the risk of harm posed by the Car Seats.
  20. The Commission will review any response received to this letter, as well as the future conduct of the PD Mart Store's in relation to Car Seats, and consider appropriate action to enforce the FTA.

#### **Penalties for breaching the Fair Trading Act**

21. Only the courts can decide if there has actually been a breach of the FTA. The court can impose penalties where it finds the law has been broken. A company that breaches the FTA can be fined (for each offence) up to \$600,000, while an individual can be fined up to \$200,000.

#### **Next steps**

22. Please confirm by no later than **close of business on 1 October 2025** whether the PD Mart Stores intend to comply with paragraph 14 and how and by when it will do so.
23. The Commission will consider its next steps following receipt of any response to this letter. Please note that the Commission may still bring legal proceedings in relation to this conduct irrespective of whether it has subsequently ceased. We recommend that you seek legal advice in relation to this letter and/or guidance about your legal obligations. If you wish to dispute any aspect of the matters set out in this letter you should also do so by the date above.
24. A written response should be sent to [REDACTED] either by post to our [REDACTED], marked for the attention of [REDACTED], or by email to [REDACTED].
25. As the Commission's investigation remains ongoing and this letter only relates to the supply of Car Seats, we may also contact you again to request further information.

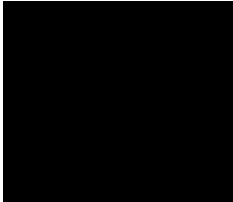
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<sup>13</sup> Including seeking injunctive relief or commenting on its concerns publicly again.

**Public information**

26. This letter is public information. We intend to make public comment about our investigation and this letter, without further notice to you.

Yours sincerely,



Vanessa Horne,  
General Manager, Competition, Fair Trading and Credit Branch

## Attachment A

### The Fair Trading Act 1986

<https://www.legislation.govt.nz/act/public/1986/0121/64.0/DLM96439.html>

#### *Section 10 - Misleading conduct in relation to goods*

No person shall, in trade, engage in conduct that is liable to mislead the public as to the nature, manufacturing process, characteristics, suitability for a purpose, or quantity of goods.

#### *Sections 13(a) and 13(e) – False or misleading representations*

No person shall, in trade, in connection with the supply or possible supply of goods or services or with the promotion by any means of the supply or use of goods or services, —

- (a) make a false or misleading representation that goods are of a particular kind, standard, quality, grade, quantity, composition, style, or model, or have had a particular history or particular previous use; or

...

make a false or misleading representation that goods or services have any sponsorship, approval, endorsement, performance characteristics, accessories, uses, or benefits.

## Attachment B

*Examples of stickers purporting to show compliance with the Car Seat Standards*

