

17 June 2011

Corporate and Commercial Law e-alert

Australian Consumer Law update – display notices

In early June, the Federal Government released a point-of-sale sign for use by retailers to inform customers of their rights to refunds and returns. It is part of the Government's attempt to educate the public as to the consumer guarantees under the new Australian Consumer Law ("ACL").

Display of the new point-of-sale sign is optional. However, it is worth noting that under the ACL the relevant Minister has the power to compel retailers to display a point-of-sale notice – including specifying the content, size (including font size), form and positioning of that notice. Any such notice would affect retailers with physical shops as well as online retailers. Failure to display a compulsory notice has a maximum penalty of \$50,000 for companies and \$10,000 for individuals, and could also lead to an on-the-spot "infringement notice" being issued by the Australian Competition and Consumer Commission.

Currently, it is not clear whether the Minister will impose a compulsory notice on retailers. The relevant explanatory memorandum suggests that the Minister will only exercise this power if "widespread voluntary compliance [by retailers] with a request to display signs at the point of sale is not forthcoming".

For retailers, it is a timely reminder to ensure that your point-of-sale staff understand and are properly trained as to the circumstances where refunds or returns must be given. This is likely to be a more important issue than deciding whether to display the new sign or not.

A copy of the new point-of-sale sign can be viewed by [clicking here](#).

We will continue to monitor this issue and update you as to any future developments. In the meantime, if you have any questions, please contact your local representative listed below.

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