

HOW TO LEGALLY PRICE YOUR PRODUCTS AND SERVICES

Misleading and deceptive conduct happens when a business creates a **wrong impression** about its product. You can still be **held responsible** even if it was not intentional.

Under *Australian Consumer Law* (ACL), you cannot make misleading or deceptive statements, advertisements or representations about your product. If you do so, your customers could take legal action against you.

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AVOIDING CONDUCT



You should avoid:

- **False advertising:** Do not exaggerate product benefits or make unsupported claims.
- **Misleading discounts:** Clearly state when a sale ends or if discounts have conditions.
- **Omitting key information:** Always include details that could affect a consumer's buying decision.

Even silence can mislead if it prevents customers from understanding important facts about your product or service. Accuracy is critical for the overall impression your business creates.

PERMISSIBLE CONDUCT



Some conduct may not be regarded as misleading under the ACL.

For example, you may not be liable for:

- conduct that is not in trade or commerce;
- a reasonable prediction for the future, even if that prediction ends up being false;
- a genuine promise; or
- an obvious, opinionated exaggeration.

You may think that adding a disclaimer to a product will protect you. However, the court will consider the overall impression your misleading conduct creates, not the fine print.

CONSEQUENCES



If you breach the ACL, you may be liable for significant penalties.

You may have to:

- pay a fine or compensation order;
- comply with an injunction to stop the misleading or deceptive conduct;
- publicly retract misleading statements; or
- implement corrective advertising.

In severe cases, you may also be disqualified from operating a business.

To protect your business, you should be clear and transparent in advertising, customer communication and sales interactions.

STRATEGIES FOR COMPLIANCE



You should focus on being transparent with your customers.

Consider implementing:

- **Accurate advertising:** Refrain from exaggerating product benefits or making unsupported claims.
- **Clear terms and conditions:** Ensure all terms and conditions are explicitly stated to prevent misunderstandings.
- **Validated claims:** Back all marketing claims with robust evidence.
- **Contract compliance:** Regularly review customer contracts to ensure adherence to the ACL and maintain accuracy.

This not only mitigates the risk of breaches but also builds trust with your customers.