

FTA Scenarios

Scenario One:

Aroha's nephew, Tama, turned two years old last week. He loves trucks so Aroha bought him a small wooden truck he can use in his sandpit. A month ago Aroha purchased the truck online from a designer toy store that only sells their toys on the Internet. The online ad for the truck showed the packaging, on which a label clearly stated "meets NZ safety standards". This was not the reason Aroha purchased the truck but she was pleased to see the product was safe.

On Tama's birthday he excitedly opened his presents and to his delight he discovered the toy truck. Like all two year olds Tama is not gentle with his toys, but his parents Sarah and Hemi were surprised when they noticed huge areas of paint peeling off the truck. Hemi picked up the truck, turned it around to inspect the damage, and to his surprise he read a label underneath the truck which revealed 'caution, toy contains lead paint'. Lead paint is very toxic and could poison someone if they got enough of it in their system. It is against the law to sell toys in New Zealand which contain lead paint.

When Aroha emailed the online store they apologised but said they had no idea the trucks contained lead paint.

Questions:

What are Aroha's rights under the Fair Trading Act?

What are the online store's responsibilities under the Fair Trading Act?

What breach or breaches of the Fair Trading Act have occurred?

What action can Aroha take?

Scenario Two:

Jack and Jill Smith were out shopping. They passed by the soft drink aisle and noticed a poster stating that if they bought a dozen bottles of this particular soft drink they would be eligible to enter a draw for a holiday on the Gold Coast, Australia. The poster displayed a picture of a plane flying from New Zealand to Australia, and photos of the fun parks and movie studio located on the Gold Coast. While they didn't need all those bottles of soft drink they thought it would be fun to enter the draw. It had been a long, cold winter and the thought of having a holiday in Australia was very tempting.

They bought the soft drink and entered the draw. They had forgotten about the competition when a few weeks later Jack received a phone call to say that they had won the draw. The competition organisers said they had won one week's accommodation in Queensland. Jack asked about flights and tours and was told that

they weren't included in the competition. Jack stated that the poster has implied that they would win an entire holiday. This, the organisers said, was not the case.

What are Jack and Jill's rights under the Fair Trading Act?

What are the competition organiser's responsibilities under the Fair Trading Act?

What breach of the FTA has occurred?

What action can Jack and Jill take?

Scenario Three:

The Rugby World Cup in August 2011 attracted a lot of tourists. Gwyneth and Tom Jones were visiting from Wales and decided to take a tour bus holiday after the tournament had ended. They visited some market stalls in a small rural community and discovered some All Black rugby souvenirs which included clothing, flags, key rings, scarves, hats and so on. The label on the clothing stated New Zealand Made. Tom decided to buy their two sons a jersey each for Christmas. The boys had not been able to come to the Rugby World Cup due to school commitments and Tom felt a bit bad about this. To take home something uniquely Kiwi would be very exciting for the boys.

Gwyneth and Tom headed back to Wales the following week with their presents. A couple of weeks later a friend they had left behind in New Zealand emailed them to say the market stall where they had bought the goods had featured in an article in the daily paper. It appeared the stall holder was being prosecuted under the Fair Trading Act for selling goods that claimed to be New Zealand Made when in fact they were made in another country. Tom was shocked. He did not know what to do next.

Questions:

What rights do Tom and Gwyneth have under the Fair Trading Act?

What responsibilities did the stall holder have under the Fair Trading Act?

What breach of the Fair Trading Act had occurred?

What could Tom and Gwyneth do given they are now back in Wales?

Scenario Four:

John is shopping for a new business suit. He has been looking for a couple of weeks and has found a shop, Suits r Us, that sells reasonably priced suits. Suit prices at Suits r Us range from \$200.00 to \$1500.00. Browsing through the racks of clothes that are being advertised as part of a yellow sticker sale, selling at 50% discount, he comes across a beautiful suit that is usually \$1000.00. This means with 50% discount the suit will only cost him \$500.00.

John is very pleased. He could buy a really good quality suit at this price which will last him for five or six years. He tries on the suit and it fits perfectly. He takes the suit to the counter to purchase it and the shop assistant asks him for \$1000.00. John laughs and tells the shop assistant that he has made an error and that there should

be a 50% discount on the suit. The shop assistant appears puzzled and explains to John there has been a mistake and this suit does not have a yellow sticker on the label, which means it is not on sale. It appears that another customer must have put the suit back on the wrong rack after trying it on.

Questions:

What are John's rights under the Fair Trading Act?

What is Suits r Us' responsibilities under the Fair Trading Act?

Has there been a breach under the Fair Trading Act? If so why, if not, why not?

What other actions can John take?

Scenario Five:

The High Honey Company recently developed a new product stating the honey had medicinal properties and would be beneficial to consumers' good health. On the back label was a statement from local Iwi endorsing the use of this particular product stating the ingredients used in this particular product have been around a long time and used for medicinal purposes in Maori tikanga (culture).

However, after some investigations by a local reporter who was keen to write an article on the new product it was discovered that local Iwi had never been approached or had never provided permission for their endorsement to be used on the label of this product. The reporter is also having difficulty verifying whether this particular product has healing properties.

Questions:

What are the local Iwi's rights under the Fair Trading Act?

What are the consumers' rights under the Fair Trading Act?

What are The High Honey Company's responsibilities under the Fair Trading Act?

What breach or breaches of the Fair Trading Act have or might have occurred?

What action can the local Iwi take?