1989 No. 56

CONSUMER PROTECTION

Consumer Protection (Code of Practice for Traders on Price Indications) Approval Order (Northern Ireland) 1989

Made . . . . . *2nd March 1989*

Coming into operation . . *1st April 1989*

The Department of Economic Development, in exercise of the powers conferred on it by Article 18(1) of the Consumer Protection (Northern Ireland) Order 1987(**a**) and of every other power enabling it in that behalf, after consultation with the Director General of Fair Trading and such other persons as it considered it appropriate to consult, hereby makes the following order:—

1. This order may be cited as the Consumer Protection (Code of Practice for Traders on Price Indications) Approval Order (Northern Ireland) 1989 and shall come into operation on 1st April 1989.

2. The code of practice, as set out in the Schedule, issued by the Department of Economic Development for the purpose of—

(*a*) giving practical guidance with respect to the requirements of Article 13 of the Consumer Protection (Northern Ireland) Order 1987; and

(*b*) promoting what appear to that Department to be desirable practices as to the circumstances and manner in which a person gives an indication as to the price at which goods, services, accommodation or facilities are available or indicates any other matter in respect of which any such indications may be misleading,

is hereby approved.

Sealed with the Official Seal of the Department of Economic Development on 2nd March 1989.

(L.S.) *R. G. Smartt*
Assistant Secretary

(a) S.I. 1987/2049 (N.I. 20)

CODE OF PRACTICE FOR TRADERS ON PRICE INDICATIONS

JANUARY 1989

Contents

Introduction 7

Definitions 8

Part 1. Price Comparisons

1.1 Price comparisons generally 9

1.2 Comparisons with trader's own previous price 10
- General 10
- Food, drink and perishable goods 11
- Mail Order Traders 12
- Series of reductions 12

1.3 Introductory offers, "After-sale" or "After-promotion" prices 13

1.4 Comparisons with prices related to different circumstances 14

1.5 Comparisons with another trader's prices 16

1.6 Comparisons with "Recommended Retail Price" or similar 17

1.7 Pre-printed prices 17

1.8 References to value or worth 17

1.9 Sales or special events 18

1.10 Free offers 18

Part 2. Actual Price to the Consumer

2.1 Indicating two different prices 19

2.2 Incomplete information and non-optional extras 19
- Limited availability of product 19
- Prices relating to differing forms of products 19
- Postage, packing and delivery charges 20
- Value Added Tax 20
- Service, cover and minimum charges in hotels, restaurants and similar establishments 22
- Holiday and travel prices 23
- Ticket prices 24
- Call-out charges 24
- Credit facilities 24
- Insurance 24

Part 3. Price indications which become misleading after they have been given

3.1	General	25
3.2	Newspaper and magazine advertisements	26
3.3	Mail order advertisements, catalogues and leaflets	26
3.4	Selling through agents	26
3.5	Changes in the rate of value added tax	27

Part 4. Sale of new homes 27

Introduction

The Consumer Protection (Northern Ireland) Order

1. The Consumer Protection (N.I.) Order 1987 makes it a criminal offence to give consumers a misleading price indication about goods, services, accommodation (including the sale of new homes) or facilities. It applies however you give the price indication – whether in a TV or press advertisement, in a catalogue or leaflet, on notices, price tickets or shelf-edge marking in stores, or if you give it orally, for example on the telephone. The term "price indication" includes price comparisons as well as indications of a single price.

2. This code of practice is approved under Article 18 of the Order which gives the Department of Economic Development power to approve codes of practice to give practical guidance to traders. It is addressed to traders and sets out what is good practice to follow in giving price indications in a wide range of different circumstances, so as to avoid giving misleading price indications. But the Order does not require you to do as this code tells you. You may still give price indications which do not accord with this code, provided they are not misleading. "Misleading" is defined in Article 14 of the Order.
The definition covers indications about any conditions attached to a price, about what you expect to happen to a price in future and what you say in price comparisons, as well as indications about the actual price the consumer will have to pay. It also applies in the same way to any indications you give about the way in which a price will be calculated.

Price comparisons

3. If you want to make price comparisons, you should do so only if you can show that they are accurate and valid. Indications which give only the price of the product are unlikely to be misleading if they are accurate and cover the total charge you will make. Comparisons with prices which you can show have been or are being charged for the same or similar goods, services, accommodation or facilities and have applied for a reasonable period are also unlikely to be misleading. Guidance on these matters is contained in this code.

Enforcement

4. Enforcement of the Consumer Protection (N.I.) Order 1987 is the responsibility of authorised Officers of the Department of Economic Development. If an Officer has reasonable grounds to suspect that you have given a misleading price indication, the Order gives the Officer power to require you to produce any records relating to your business and to seize and detain goods or records which the Officer has reasonable grounds for believing may be required as evidence in court proceedings.