

Charles Tyrwhitt 'was' selling drastically reduced shirts, 'now' \$10,800 poorer

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Charles Tyrwhitt, a London-based clothing manufacturer, is trying to make a mark in Australia by selling corporate gear at seemingly drastically discounted prices. However, it recently got hit with a \$10,800 fine by the ACCC for false and misleading statements in its advertised 'was / now' pricing.

Comparison pricing is a common strategy amongst retailers, where comparisons are made between the prices currently charged and the previous price for the same product. In doing this, retailers are representing that consumers will save a certain amount by purchasing the product on sale. This strategy is more than fine, as long as it is legit.

In this instance, Charles Tyrwhitt had represented that its men's 'slim fit non-iron micro-spot' shirt 'was' \$160 and 'now' \$69. The ACCC found this to be misleading because:

- a. the 'was' price had only been advertised for a short time period, in a hard to find location on the company's website; and
- b. the time period was so short, and the location so obscure, that no-one had actually bought the shirt at the 'was' price.

To ensure you don't get caught:

1. only use comparison pricing where the 'was' price is genuine;
2. have the sale price for a limited time only. You run the risk of having the reduced price becoming the new selling price if a reasonable amount of time has passed and the item is still 'on sale'; and
3. keep records to prove your price comparisons, as the ACCC may require you to substantiate your claims at any time.

Questions? Give us a call.



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