



COVID-19: Keep your savings claims genuine. Misleading marketing can be costly



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The Danish Consumer Ombudsman has recently announced that, in December 2019, the Danish hypermarket chain Bilka was facing prosecution due to misleading marketing, and that now its parent, Salling Group A/S, has agreed to pay a fine of DKK 3m (approx. EUR 402,000).

The press release coincides with the topical issue of marketing of top-special offers before, during and after COVID-19.

In several promotion campaigns, Bilka had been misleading consumers by indicating “was” prices on barbecues, bikes and vacuum cleaners - prices, which the Consumer Ombudsman found were not genuine.

In savings claims stating “was” and “now” prices, the “was” price must be genuine. In this way, the “was” price is to form the basis for a price comparison and a savings claim.

One of the issues assessed by the Consumer Ombudsman concerned a barbecue that was marketed as a combination offer with cover and rotisserie at a total price of DKK 6,999 (EUR 940). The normal price of this combination was DKK 18,397 (EUR 2,470), and the price of the barbecue alone was normally DKK 16,999 (EUR 2,280). This combination offer had been marketed in Bilka’s flyers continuously for almost a year.

The Consumer Ombudsman assessed that the “was” price for the barbecue without additional equipment was no genuine price, in that no consumer would buy the barbecue at that price as barbecue accessories could be included at a price DKK 10,000 (EUR 1,340) below the “was” price excl. the additional equipment.

Consequently, no offer must be marketed with reference to completely theoretical reference prices, and the rules on the length of offer periods must be observed and obeyed. Normally, an offer period must be no longer than 2 weeks. In general, no consumer must be misled to believe that an offer is better than it actually is.

The most recent press release issued by the Consumer Ombudsman reflects her focus on price marketing and red-light prompt if the rules are not obeyed. This is worth attention these days where a large number of shops and warehouses leverage offers and campaigns to generate revenue, and where liquidity is strained due to the COVID-19 crisis.

Read more about the rules concerning good offers and the requirements to be observed by traders in order to avoid misleading prices in our previous newsletter (in Danish) [here](#).

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