

Your Ref: Gift cards in the Australian market

Quote in reply: 21000857.7 – Competition and Consumer Law Committee

1 March 2012

CCAAC Gift Card Review
C/- of Manager
Consumer Policy Framework Unit
Infrastructure, Competition and Consumer Division
The Treasury
Langton Crescent
PARKES ACT 2600

By email: CCAAC@treasury.gov.au

Dear Manager

GIFT CARDS IN THE AUSTRALIAN MARKET

I write on behalf of the Competition and Consumer Law Committee of the Queensland Law Society in response to the Issues Paper – Gift Cards in the Australian Market.

The Society supports developing and implementing a policy framework to improve consumer awareness in relation to the terms and conditions of gift cards in the Australian market. The Society notes that most retailers engage in a practice of erecting signs in the store and the checkout counter as to the store's return/refund policy. Other retailers include the main terms and conditions of sale on the receipt. However the same does not always take place for gift cards. The Society therefore recommends that guidelines be released encouraging retailers to hang signs and/or include with the card and receipt a basic summary of:

- Gift card inclusions and exclusions (eg what products and stores are included/excluded with the gift card);
- Gift card expiry date (eg one year from purchase);
- The minimum amount to spend on the card in any one transaction (if applicable); and
- What happens to unused credit (eg does it get refunded, does it expire?)

The display of these terms and conditions in the store will provide both the gift card purchaser and the gift card donee with improved disclosure of their rights and responsibilities and will likely reduce the number of complaints.

The Society notes that a particular issue of concern is when a gift card is to be used at a retailer that has since become insolvent. The Society considers the United States "Consumer Deposit Priority"

service, as highlighted in page 13 of the issues paper, may be an alternative to protect consumers, who would otherwise be unsecured creditors.

Thank you for the opportunity to comment on the issues paper.

If you have any queries regarding the contents of this letter, please do not hesitate to contact our Policy Solicitor, Louise Pennisi on (07) 3842 5872 or l.pennisi@qls.com.au

Yours faithfully



Dr. John de Groot
President