

STATES OF JERSEY



DRAFT PRICE INDICATORS (JERSEY) REGULATIONS 200- (P.14/2008): AMENDMENTS (P.14/2008 AMD.)– COMMENTS

**Presented to the States on 11th March 2008
by the Minister for Economic Development**

STATES GREFFE

COMMENTS

Members will recall the States approved unanimously the Price and Charge Indicators (Jersey) Law 2008 on 7th November 2007. (The Law was subsequently registered in the Royal Court on 22nd February 2008.) This Law enables the States to make Regulations requiring the price of goods, or the charge for services, to be indicated when they are offered for sale.

The Law was designed to give uniformity and certainty to the way in which retailers must indicate prices.

The default position was to be that, prices are GST inclusive and must be unambiguous, easily identifiable and clearly legible. This remains the case today.

Any exceptions to this *default position* need to be very carefully considered and tested. The argument for any exception would need to be compelling. In other words, the bar for considering any exception would be very high.

Senator Norman has rightly always been a strong advocate of inclusive pricing. I am grateful for his strong support on this issue.

His amendment seeks to remove the option, for a very limited number of “lines”, to display a percentage increase (which when combined with printed price) gives the actual selling price.

Unfortunately, whilst Senator Norman’s underlying sentiments remain justified, the practicalities of what he is proposing are, at best, impractical, at worst impossible.

I cannot recommend members accepting the amendment.

There are 3 points I would wish to draw to members’ attention –

1. **Bookshops and newsagents**

The reality is that these retailers sell hundreds of lines in small quantities. The goods they sell are UK Zero VAT rated and pre-priced (unlike retailers who sell goods at UK VAT inclusive prices). With overlapping magazines, or one or two copies of a book on a shelf, constantly picked up and replaced by the consumer, shelf edge labelling indicating the selling price or price bands would be both impractical and difficult for the consumer to follow.

The safeguard that exists for consumers is contained in Regulation 4(c) –

“so placed as to be available to consumers without the need for them to seek assistance from the trader or someone on the trader’s behalf to ascertain the selling price”.

The amendment will inevitably lead to retailers having to re-price magazines or books individually. This is onerous and impractical.

2. **Catch-weight goods.**

These are variable weight pre-packed goods such as blocks of cheese, meat and poultry. Every pack has its own unique price.

If the amendment is successful, this will inevitably lead to retailers having to devise complex price band signage to display the amount to be added to the pack price.

Retailers will have implement systems to ensure that check-out staff look up the appropriate price band chart for the product at the till, to add the supplement. This could be impractical for retailers with numerous catch-weight lines. Accordingly, the Regulations lodged permit, in this exceptional case,

retailers to have 3 options.

- (i) Indicate a new selling price (and advise consumers that the pack price is not the selling price).
- (ii) Indicate the amount that will be added to the pack price which will determine the selling price.
- (iii) Indicate the percentage that will be added to the pack price to determine the selling price.

The effect of the amendment is to remove option three.

3. Unambiguous pricing

The rules for exceptions do not depart significantly from the principle of unambiguous pricing.

Regulation 4 applies to all goods – excepted or not.

Regulation 4 – Manner and placement of indicators

- (1) *Prices, amounts, percentages and charges required to be indicated in accordance with Regulation 3 shall be displayed–*
 - (a) ***in a manner that is unambiguous, easily identifiable and clearly legible;***
 - (b) *subject to paragraph (2), on or in proximity to the goods; and*
 - (c) *so placed as to be available to consumers without the need for them to seek assistance from the trader or someone on the trader's behalf to ascertain the selling price.*

To summarise, whilst I remain supportive of Senator Norman's fundamental principles, his amendment is, at best, not practical – at worst, not possible to implement for the reasons given above.

Accordingly, sadly I am unable to support the amendment.