

Deceptive Pricing and Illegal Bargain Sales

Particularly during a holiday season watch out for vendors' slick trick advertising designed to make you believe you will save money if you take advantage of their "sales". Typical pitches and seductions include PRESEASON SALE, PRICES SLASHED, 40% OFF, POST-HOLIDAY SALE, LAST DAYS! and even the laughable GOING OUT OF BUSINESS or LIQUIDATION SALE. When is a sale really a sale? How many times has your spouse returned home with an armload of merchandise proudly declaring, "I got it all on sale"?

Don't assume the reduction from a "regular" price means that the product was recently or will soon be actually sold at that price. Example: Retailer sells coffeemakers, which cost him \$50 each. His usual markup is 50% over cost, which makes his regular retail price \$75. He inflates the price to an "everyday original" \$100 and either never or for a few days sells the coffeemakers for \$100 in order to later advertise a "25% cut" in price. "Terrific Bargain: Perk-A-Matic Coffeemakers, Were \$100, Now Only \$75!" This is obviously a false claim. The advertised "bargain" is not genuine.

Although you may not at first detect an unfair or deceptive ad scheme, your suspicions may be aroused by a little basic math or a little familiarity with certain store items. Recently a service member noticed some shoes on sale for practically what they normally sold for. They were advertised at 60% below regular price with another 20% discount. She smartly reasoned that if she were paying \$28 for the shoes then someone else must have been paying about \$130. No one was, and her complaint to her state's Attorney General's Office quickly ended the sale.

If jewelry, furniture, rugs, or mattresses are on your Christmas shopping list, be an especially wary consumer. Buyers are most apt to be duped by phony sales claims on these items, according to the Federal Trade Commission, because they are difficult to compare or evaluate. Savvy consumers educate themselves to be able to evaluate the quality of the merchandise being sold, and then compare value with value---do not compare percentage-off claims against each other. Example: when buying jewelry determine the type, grade, quality, metallic content, size, weight, cut, color, durability, serviceability, and origin of the precious metal or gemstone and then compare price with that of similar pieces offered by other stores.

Several restrictions are placed on going-out-of-business, bankruptcy and other similar types of sales. The reason for the sale must be true, prices must be lower than normal, and the seller cannot order more merchandise just for the special sale. If the sale is fraudulent, what may be happening, according to Joe Buckalew, Deputy District Attorney for Monterey County is that "a store shifts extra inventory to one of its outlets for a limited period with purportedly clearance or going-out-of-business sales prices. Then the outlet closes after forcing that additional inventory on the public at substantially regular prices." As bogus as that is, buyers think they are getting a wonderful deal, but in fact they are getting ripped off.

In California deceptive pricing and illegal bargain sales involve a variety of pricing gimmicks that lure consumers into stores believing they are getting a bargain when they are not. When advertisers compare their LOW LOW LOW price with some other reference price, the ad must clearly identify the item on sale and the nature of the reference price and the seller must be able to prove up the reference price. If they can't, the comparison is deceptive. They are misleading the buyer into thinking he or she is saving the difference between the price fictitiously offered as a comparison and the seller's supposedly lower asking price. They also violate Civil Code section 1770(m) which prohibits "making false or misleading statements of fact concerning reasons for, existence of, or amounts of price reductions."

The best defense against deceptive sales is to do your homework and apply shrewd buying habits before emptying your wallet. Comparison shop. An advertised sale is not necessarily the best bargain. Compare value to value, not one percentage off claim with another. Become familiar with a store's merchandise. Then you'll know if an item was ever really sold at the

"regular" price. Don't be impressed by claims of big savings off a "list" or "manufacturer's suggested retail price".

If you think you've been ripped off in a sales scam contact the Legal Assistance Office at 242-5083/5084 for an appointment. Complaint avenues include the Better Business Bureau (372-3149), District Attorney's Office of Consumer Protection (647-7773), and the Department of Motor Vehicles (for car sales, 649-2939). An excellent source used for this article is the Federal Trade Commission Guides Against Deceptive Pricing, 16 CFR 233.