

NEW NATIONAL GIFT CARD LAW

Following New South Wales and South Australia introducing a minimum 3 year expiry date on gift cards/vouchers sold in 2018, the Federal Government passed a similar law on 18 October 2018 which applies to all States and Territories.

The new law amends the *Competition and Consumer Act 2010*.

The changes

Three year minimum expiry date

Any gift card sold to a consumer must have a minimum expiry date of three years.

Post-supply charges

The seller (or the business accepting the gift card) cannot charge any fee that would reduce the value of the gift card to the card-holder.

Expiry date prominence on card

All gift cards will be required to display the expiry date prominently on the card itself. If the card has no expiry date, this must also be stated.

But... why do we need this?



The law has been introduced to protect consumers by ensuring that the value of a gift card is not reduced by fees or early expiry dates.

In 2017, consumers lost \$148M by not redeeming expired gift cards.

When do these changes come into effect?

The changes will apply to gift cards/vouchers supplied on or after 1 November 2019.

There is a transition period until 31 October 2019 during which a business can sell its "old" non-compliant gift cards. This allows businesses time to adjust while also introducing important consumer protections in time for the 2019 Christmas period.

Proposed exceptions to the 3 year expiry period include:

- Debit/credit or reloadable cards that use EFTPOS, Visa or similar
- Gift cards for goods or services only available for a limited time (e.g a theatre production)
- Gift cards given as part of employee rewards programs
- Gift cards redeemable for goods or services at a genuine discount (e.g a car service valued at \$500 for a price of \$385)
- Gift cards awarded as part of a temporary marketing promotion (e.g buy a fridge and receive a \$100 gift card) or donated for promotional purposes (e.g a store handing out free gift cards on its 10th birthday)
- Gift cards supplied to Government agencies and certain charities



Penalties

Penalties of up to \$30,000 apply for corporates or up to \$6,000 for individuals for breaches of the new provisions.

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