

**BTS NÉGOCIATION RELATION CLIENT**  
**ÉPREUVE ORALE D'ANGLAIS – Session 2016**

Sujet 5

**WOOLWORTHS MISLED CONSUMERS OVER PRODUCT SAFETY  
HAZARDS – ORDERED TO PAY OVER \$3 MILLION IN PENALTIES**

The Federal Court has today ordered Woolworths Limited (Woolworths) to pay total penalties of \$3.057 million for breaches of the Australian Consumer Law relating to safety issues with house brand products sold in Woolworths supermarkets, Big W and Masters stores.

The Court declared that Woolworths engaged in misleading and deceptive conduct and in some cases had made false or misleading representations about the safety of five of its house brand products - a deep fryer, drain cleaner, safety matches, a padded<sup>1</sup> flop chair and a folding stool, over a period of 3 years.

The defects in Woolworths' products caused several serious injuries, including burns from hot oil when the handle of the deep fryer broke during use and chemical burns including to a young child, caused by a defective cap on the bottles of drain cleaner.

In some cases, Woolworths became aware of serious injuries resulting from defects in these products, but did not remove the products from sale and recall the products. These products were subsequently removed from sale and recalled, but not always before further injuries resulted from their defects.

In other cases, the Court found that express representations on the products or packaging were false or misleading. For example, the padded flop chair was described as capable of bearing the weight of 115kg when under testing it could not reliably support more than 92kg.

Justice Edelman also found that Woolworths contravened the Australian Consumer Law by failing to report serious injuries to the ACCC<sup>2</sup> within two days of becoming aware that serious injuries may have been caused by these products.

Justice Edelman found that...“The penalties I have imposed are designed in broad terms to achieve specific and general deterrence<sup>3</sup> by requiring vigilance concerning quality management procedures to ensure the accuracy<sup>4</sup> of representations and effective procedures for the recall or withdrawal of products and the notification of the ACCC. This is particularly so where products can affect consumer safety and the person deals in the sale of large volumes of consumer products”.

ACCC Chairman Rod Sims said “Australian consumers must be able to rely on the safety of goods supplied to them by retailers. By failing to recall and remove products from its shelves for some time after it became aware that the products were defective, Woolworths misled Australian consumers and placed their safety at risk. The significant penalties imposed in this case reflect the serious nature of Woolworths' conduct.”

Adapted from [accg.gov.au](http://accg.gov.au), February 5, 2016

1. *padded* : rembourrée

2. *ACCC*: Australian Competition and Consumer Commission

3. *deterrence*: (here) warning

4. *accuracy*: precision