



## TRADE PRACTICES ACT 1974

# UNDERTAKING TO THE TRADE PRACTICES COMMISSION GIVEN FOR THE PURPOSES OF SECTION 87B

BY

## BENDIGO SANDHURST MUTUAL PERMANENT LAND AND BUILDING SOCIETY LTD

### BACKGROUND

Bendigo Sandhurst Mutual Permanent Land and Building Society Ltd ("Bendigo Building Society") is incorporated as a society under the Financial Institutions (Victoria) Code. The Bendigo Building Society provides retail banking services.

Following an investigation by the Trade Practices Commission ("TPC"), the Bendigo Building Society was informed that the TPC considered that it had made false and misleading representations in regard to the benefits and uses of the Bendigo Blue Visa card.

The TPC has stated that it considers that the Bendigo Building Society represented the Bendigo Blue Visa card in television and press advertisements, and through in-store displays as being a credit card which incurred no interest charges, when such was not the case. The TPC was further concerned that a reference to a 20% interest rate on a five day overdue account may have misled consumers into believing that it referred to a penalty rate rather than an annual rate.

The TPC considered both matters to be representations that were false and misleading in contravention of Sections 52, 53(c) and 55A of the *Trade Practices Act 1974*.

Following an approach by the TPC, the Bendigo Building Society has ceased making the representations alleged and has co-operated fully with the TPC inquiry into this matter.

## UNDERTAKING

The Bendigo Building Society undertakes for the purposes of Section 87B of the *Trade Practices Act 1974* ("the Act") to:

1. implement the following modifications to the advertising of the Bendigo Blue Visa card:
  - a. **Television.** Superimpose text stating words to the effect that any reference to percentage interest rates payable on credit cards is "a per annum rate based on approximate prevailing rates"; modify dialogue to indicate that the Bendigo Blue is debit card; and insert an 'end frame' qualification which indicates that the Bendigo Blue is a debit rather than credit card (as per sample video marked Cook Green Moore CGM 3644/30/A provided to the Commission on 3 February 1993),
  - b. **Press.** Replace main heading "0% VISA CARD" with "IT'S YOUR MONEY BLUE", replace sub heading words "ZERO INTEREST VISA CARD" with "THE VISA DEBIT CARD", and replace the text with "With Bendigo Blue you get the world's most widely accepted card without the interest charges. When you use your Bendigo Blue, any purchase is deducted directly from your own money." For one week only, press advertisements will carry the additional statement "The Bendigo Blue Visa card is a debit card and not a credit card." (as per Attachment 1),
  - c. **Radio.** Amend text to reflect that the Bendigo Blue is a debit rather than a credit card as per Attachment 2 (CGM/3599),
  - d. **Point of sale.** Produce new posters with the words "Bendigo Blue Visa Debit Card. Better than a Credit Card, for sure" to be displayed in conjunction with existing in-store posters (as per Attachment 3) and amend window advertising to prominently state "Visa Debit card" (as per Attachment 4);
2. appoint a senior officer of the Bendigo Building Society to be responsible for ensuring corporate compliance with the Act;
3. establish a corporate compliance programme for Bendigo Building Society employees and directors designed to ensure their awareness of the responsibilities and obligations under the Act;
4. establish an 'Advertising Approval Committee' consisting of the Corporate Solicitor and senior management to be responsible for vetting all major advertising campaigns undertaken by the Bendigo Building Society;

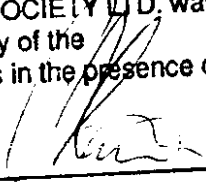
5. adopt the advertising principles as per Attachment 5.


The Bendigo Building Society acknowledges and accepts that this undertaking will be placed on the TPC's public register and agrees that the TPC may otherwise publish and/or refer to this document at its discretion.

The Bendigo Building Society also notes that this undertaking in no way derogates from the rights or remedies available to any other person arising from the alleged conduct.

IN WITNESS OF THESE UNDERTAKINGS

THE COMMON SEAL of BENDIGO SANDHURST MUTUAL PERMANENT LAND AND BUILDING SOCIETY LTD. was hereunto affixed by authority of the Board of Directors in the presence of

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
General Manager Deputy General Manager Corporate Secretary



ACCEPTED BY THE TRADE PRACTICES COMMISSION FOR THE PURPOSES OF SECTION 87B OF THE TRADE PRACTICES ACT 1974.

  
.....  
Chairman

Dated this 7<sup>th</sup> day of March 1993.



# IT'S YOUR MONEY BLUE

When you use your Bendigo Blue, any purchase is deducted directly from your own account, so you're using your own money.



Avoid the credit card blues, get a Bendigo Blue Visa Debit Card now.

 **Bendigo**  
Building Society  
*Better than a bank, for sure.*

**BENDIGO BLUE THE VISA DEBIT CARD  
FROM THE BENDIGO BUILDING SOCIETY**

ALSO AT CAPITAL BUILDING SOCIETY IN GEELONG  
PHONE (03) 693 9555 FOR YOUR NEAREST BRANCH

2nd February 1993.

**BENDIGO BUILDING SOCIETY**

**BENDIGO BLUE**

**30 SEC RADIO**

**REVISION 1**

**CGM/3599**

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*(Edo is in a bar talking to a friend.)*

I went to have breakfast at the deli the other day, and you should have seen Danny.

He had his credit cards in pieces everywhere - said he was going to destroy them before they destroyed him.

I said, with the Bendigo Blue Visa Card you pay zero interest.

He wouldn't believe it - I said look, it's not a credit card - it uses your own money.

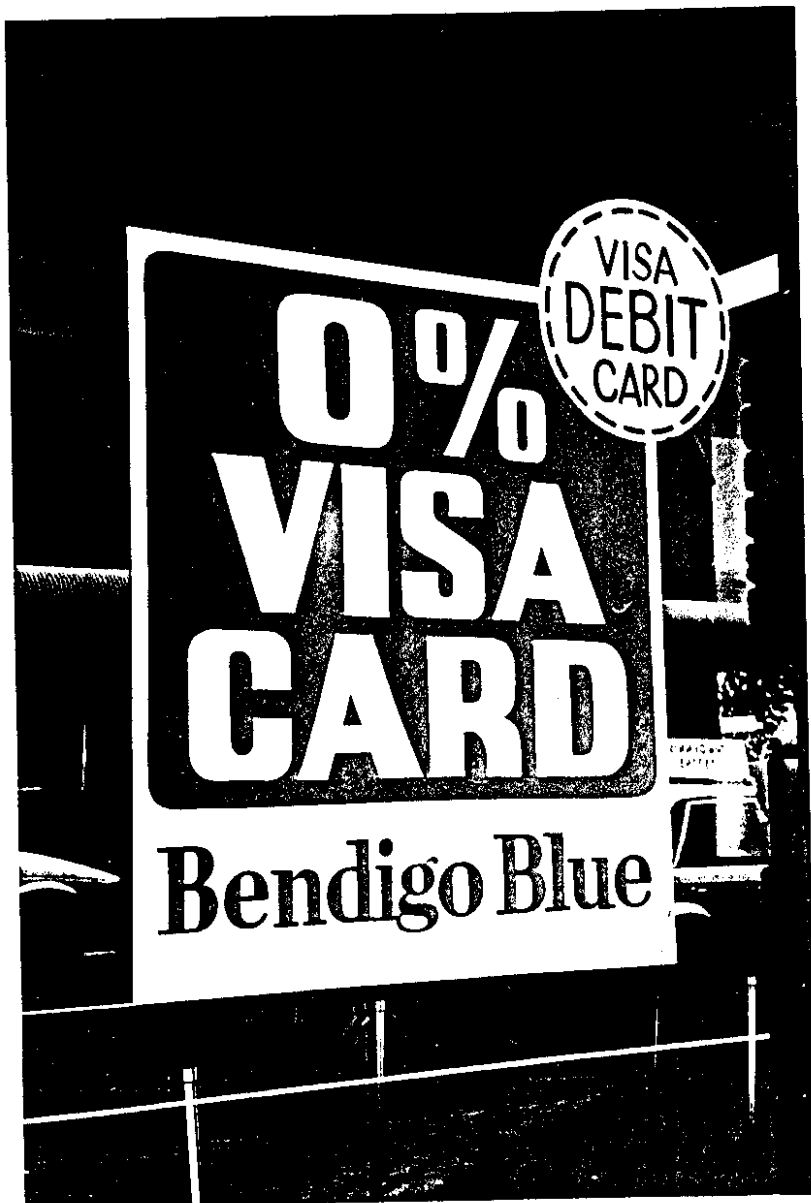
That's Bendigo Blue debit card ... from the Bendigo Building Society!

It's better than a credit card, for sure.

# Bendigo Blue Visa

# Debit Card.

*Better than  
a Credit Card,  
for sure.*



## **BENDIGO BUILDING SOCIETY - ADVERTISING PRINCIPLES**

### **Pre Contractual Conduct**

In offering or marketing retail banking products and services the Bendigo Building Society will, in advertisements and through notices at branches, notify customers of the availability of terms and conditions documentation applicable to the product or service.

Prior to entering into a contractual relationship, the Bendigo Building Society will provide customers with a reasonable opportunity to read and consider the terms and conditions applicable to the relevant product or service and shall encourage them to do so.

### **Advertising**

The Bendigo Building Society will include in advertisements and promotional material all information necessary to ensure that they are balanced, accurate, unambiguous and not misleading or deceptive.

In determining whether advertisements or promotional material are balanced, accurate, unambiguous and not misleading or deceptive, the Bendigo Building Society will have regard to whether the advertisement or promotional material:

- conveys overall a truthful impression of the features of the product or service;
- clearly discloses any special conditions or limitations applicable to the product or service; and
- where reference is made to interest rates, also discloses with equal prominence that fees charges and costs may also apply to the product or service and what those fees, charges and costs are.

The Bendigo Building Society will ensure that where qualifications are used in advertisements or promotional material that such qualifications are prominently displayed.

The Bendigo Building Society will take all reasonable steps to ensure that relevant staff are familiar with the Society's products and services prior to advertising or otherwise promoting those services to the public.

The Bendigo Building Society will have procedures for the vetting and clearance in terms of the principles and procedures set out in this document of advertisements and promotional material produced by the Society or produced on the Society's behalf.