# K&L GATES

Greenwashing, Digital Advertising & Platform Issues, Financial Services & Consumer Guarantees: What the ACCC's 2022/23 Priorities Mean for Your Business

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### **CONSUMER LAW**

## 1. ENVIRONMENTAL CLAIMS AND SUSTAINABILITY



- In line with international regulators, a focus on 'greenwashing', particularly in the consumer goods, manufacturing and energy sectors, including:
- misleading environmental or 'green' credentials; and
- o misleading 'carbon neutrality' claims.

#### 2. MANIPULATIVE/DECEPTIVE DIGITAL ADVERTISING AND MARKETING PRACTICES



- Crackdown on manipulative advertising techniques, including:
  - manipulation of online reviews or search results;
  - non-disclosure of paid advertising by social media influencers; and
  - creating a false 'sense of urgency' (e.g. stock scarcity warnings and sales countdown timers).

#### 3. COMPLIANCE WITH CONSUMER GUARANTEES



- The ACCC's focus will be on high value goods, particularly motor vehicles and caravans.
- Key areas of concern are difficulties by consumers accessing consumer guarantee remedies and manufacturers failing to indemnify suppliers.

See the full list of ACCC's 2022/23 priorities here and the ACCC's speech here.

#### FURTHER INSIGHTS AND IMPLICATIONS FOR BUSINESSES

#### **Further insights**

- For the first time, the ACCC has aligned its annual priorities to the financial year and will continue to do so, giving businesses **four months advance notice**.
- The ACCC's **new focus on environmental claims** is part of a global regulatory effort, with EU and UK regulators scrutinising similar claims, in addition to ASIC. This focus means that regulatory action is an increasing risk for businesses making 'green' claims, in addition to private actions by shareholders or competitors.
- Other priorities of interest include:
- ensuring small businesses (particularly in agriculture and franchising) receive appropriate competition and consumer law protections;
- o increasing awareness of product safety obligations;
- o exclusive arrangements by firms with market power; and
- o enduring priorities, such as cartel enforcement.
- The ACCC will **continue to advocate for law reform**, including new prohibitions for non-compliance with consumer guarantees, unfair trading practices and supplying unsafe goods, as well as merger reform.

#### What does it mean for your business?

- Ensure any 'green' claims can be substantiated.
- Closely review digital advertising practices, including online reviews and paid social media advertising to ensure misleading impressions are not created.
- ✓ Assess whether advertising practices create a 'sense of urgency' which is not warranted.
- ✓ Review consumer guarantees processes, instructions and policies, and consider providing 'refresher' training to staff.
- Review exclusive arrangements which could impact on competition.
- ✓ Assess whether supply chain disruptions have created opportunities and risks related to colluding with competitors.

### **COMPETITION LAW**

1. GLOBAL AND DOMESTIC SUPPLY CHAINS

- Potential competitor collusion related to COVID-19 related disruptions to supply chains and higher freight rates.
- 'Five eyes' working group ACCC joined its US, UK, Canada and NZ counterparts to better detect collusion in global supply chains.

#### 2. ANTI-COMPETITIVE CONDUCT IN THE FINANCIAL SERVICES SECTOR

- Focus on payment services, including anti-competitive conduct related to the use of digital wallets and any behaviour limiting 'least cost routing'.
- The ACCC to work with the Council of Financial Regulators to examine debanking, digital currency and crossborder payments.

# 3. ENFORCEMENT ISSUES



- The ACCC expressed concern about a lack of ability to address "systemic competition and consumer concerns" they have identified in the digital platforms space.
- Drawing on international proposals, the ACCC has argued for **further regulatory tools**, including ex-ante laws.