



COMMERCE COMMISSION

Media Release

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Commerce Commission warns all that glitters isn't gold

The Commerce Commission is reminding the jewellery industry that it must ensure that consumers are aware that some jewellery made from white gold or silver has been plated with rhodium and may require regular maintenance.

This follows a recent Disputes Tribunal case which found that a consumer should have been told that a white gold engagement ring was rhodium plated and may need regular re-plating.

“Many consumers believe, and are entitled to believe, that when they purchase jewellery made from white gold that it is simply that. However, it is common practice for white gold to be rhodium plated to enhance the colour and to provide a surface that will resist scratches. The Commission also understands that rhodium electroplating is also sometimes used on silver where it improves resistance to tarnishing” said Greg Allan, Commerce Commission Enforcement Manager, Wellington.

The Commerce Commission has recently written to the jewellery industry outlining that, while the Commission is not concerned by the practice of rhodium plating white gold or silver, it is important that consumers are not misled about the nature of jewellery. The industry has also been told that the Commission believes that before purchasing any white gold or silver jewellery consumers should be made aware of the implications of rhodium plating.

“Consumers are entitled to receive all information necessary for them to make a fully informed decision about goods before they purchase. If they are not given relevant information, this may place the retailer at risk of breaching the Fair Trading Act,” said Mr Allan.

“If consumers have concerns about white gold or silver jewellery they have already purchased, they should raise the issue in the first instance with the retailer,” said Mr Allan.

“The Commission does not have any current investigations into white gold or silver jewellery. However, if consumers feel that they have been misled about white gold or silver jewellery then they can register their concerns with us. The Commission will assess on a case by case basis whether further action is appropriate. Consumers can also take a claim personally to the Disputes Tribunal.”

Background

Contacting the Commission

You can contact the Commission online at www.comcom.govt.nz/making-a-complaint, by emailing contact@comcom.govt.nz, phoning 0800 94 3600 or writing to Contact Centre, Commerce Commission, PO Box 2351, Wellington 6140.

White gold is pure gold which has been coloured with various metals to make it white.

Palladium and platinum are the best white colouring agents for gold and result in a very white product. However, these metals are expensive and sometimes manufacturers choose lighter and less expensive colouring metals. In some cases the white gold has a slightly yellowish hue and requires rhodium plating.

Rhodium is a hard white metallic element that is usually applied to white gold and other metals to give a greater and brighter whiteness. Rhodium plating of jewellery is a world-wide, industry recognised practice. Rings that have been rhodium plated may require re-plating.

On 16 November 2010 a Disputes Tribunal decision (case number CIV-2010-094-001281) was made in favour of Darrell Sveistrup against Carat Limited. The referee found that the engagement ring that Mr Sveistrup bought was not fit for purpose and that he was entitled to a full refund. An application for a re-hearing has been filed.

The Fair Trading Act. Court penalties for breaching the Fair Trading Act can include fines of up to \$200,000 for a company and \$60,000 for an individual. Only the courts can decide if a representation has breached the Act.

The Consumer Guarantees Act (CGA) applies to faulty goods or goods that are not fit for purpose. This Act is not enforced by the Commerce Commission. Individuals can take their own action under the CGA, including taking a case to the Disputes Tribunal.

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