

20 March 2020

**Australian Competition & Consumer Commission**

Email: [infocentre@accc.gov.au](mailto:infocentre@accc.gov.au)

**Dear ACCC**

**RE: Misleading and Deceptive Advertising during the (COVID-19) Coronavirus - Case #1  
Mosaic Brands Pty Ltd**

CHOICE writes to notify the ACCC of Mosaic Brands Ltd (**the company**)'s likely misleading and deceptive marketing during the (COVID-19) coronavirus (**coronavirus**) pandemic.

The 'panic marketing' tactic that the company has employed is a clear example of an organisation unfairly exploiting current levels of consumer anxiety around the effects of the coronavirus.

Mosaic Brand Ltd has engaged in the following conduct that appears to CHOICE to be misleading and deceptive:

**1. Claims that a hand sanitizer product is "WHO-Approved"**

In marketing emails sent on 18 March to customers, and in product descriptions across the brand's websites (evidenced in an appendix to this letter), the Company advertises "WHO-Approved Hand Sanitizer" that comes in a "100ML - Pack of 10". The website provides no further information on the product's endorsement, or whether the specified "WHO" stands for the World Health Organisation or a different organisation.

The ACCC has the power to compel businesses to substantiate any claims they make. The ACCC can issue a substantiation notice under s. 219 of the *Competition and Consumer Act 2010*, requiring the Mosaic brands to provide information that could be capable of supporting their claim that its products are "WHO-approved".

CHOICE is of the view that it is unlikely that this claim is true. The World Health Organisation does provide clear guidelines for hand sanitizer production.<sup>1</sup> The guidelines require that

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<sup>1</sup> [https://www.who.int/gpsc/5may/Guide\\_to\\_Local\\_Production.pdf](https://www.who.int/gpsc/5may/Guide_to_Local_Production.pdf) <accessed 19 March 2020>

products state that they are “WHO-recommended handrub formulation.” It is unclear if the products sold by Mosaic brands meet those guidelines. We have yet to find any process where the World Health Organisation approves specific products. We are concerned that the term “WHO approved” implies they are safer than other hand sanitisers on the market. This is taking advantage of consumer fear at a sensitive time and is likely a breach of section 18 of the Australian Consumer Law.

## **2. Advertisements exhorting customers to “stock up now” to “protect themselves”**

Mosaic Brands Advertisements exhort customers to “stock up now” on face masks and hand sanitizer to “protect” themselves through advertisements on Facebook and online (see Appendix).

These marketing practices are not helping consumers to find options that best suit their needs. In fact, some practices that capitalise on consumer sentiment during the current medical environment seem to be structured to take advantage of people when they are most vulnerable.

Specific claims that masks are required for people to protect themselves or to “stay safe and healthy” imply that face masks are required to combat current issues with COVID-19. The medical advice being provided by the Department of Health is clear - facemasks are only required if someone is already sick.<sup>2</sup> Given that Australia likely faces a shortage of protective medical equipment, this claim is particularly egregious as it is encouraging people to buy protective equipment they likely don’t need.

We would like to see the ACCC investigate this matter further to ensure that vulnerable consumers are not further disadvantaged in this market.

For further information, please contact us on 0412 836 333 or via [jsteward@choice.com.au](mailto:jsteward@choice.com.au).

Yours sincerely,



Julia Steward  
Head of Policy and Government Relations  
CHOICE

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<sup>2</sup><https://www.health.gov.au/sites/default/files/documents/2020/03/coronavirus-covid-19-information-on-the-use-of-surgical-masks-coronavirus-covid-19-information-on-the-use-of-surgical-masks.pdf> <accessed 20 March 2020>

APPENDIX

# HEALTH & HYGIENE SHOP



WHO-APPROVED HAND SANITIZER  
100ML - PACK OF 10  
**\$59.95**

DISPOSABLE 3-PLY  
FACE MASKS 50 PACK  
**\$89.95**

STOCK UP NOW BEFORE IT'S GONE

PRE-ORDER NOW

ONLINE EXCLUSIVE

From Rockmans EDM 18 March

[http://link.rockmans.com.au/u/gm.php?prm=ejNuUJwGD\\_767929842\\_1781993\\_831668](http://link.rockmans.com.au/u/gm.php?prm=ejNuUJwGD_767929842_1781993_831668)

# WE'RE HERE FOR YOU

Stay safe and healthy during this difficult time  
with our health and hygiene range.



**ORDER NOW!**  
**LIMITED STOCK**

Disposable 3-ply face  
masks- 50 pack  
**\$89.95**





**ORDER NOW!**  
**LIMITED STOCK**

Disposable 3-ply face  
masks- 50 pack  
**\$89.95**

WHO-Approved Hand  
Sanitizer 100ml - Pack of 10  
**\$59.95**



<https://www.millers.com.au/hygiene-checklist>, <accessed 19 March 2020>.

[Add to Wish List](#)

[Where to get stock](#)

[Click & Collect](#)

## — DESCRIPTION

**Product code:** DR-K2508-NO

Protect yourself from viruses and germs during uncertain times with this the 10 x Pack of 100ml WHO-Approved Hand Sanitizer.

***Please Note:*** *This is a Pre-Order. Product will be shipped from 31st March 2020 in a separate order*

- Instant Hand Sanitizer
- WHO-approved
- Kills 99.9% of germs
- 100ml capacity
- Lightweight and portable