

CCAAC Gift Card Review  
c/- Manager  
Consumer Policy Framework Unit  
Infrastructure, Competition and Consumer Division  
The Treasury  
Langton Crescent  
Parkes  
ACT  
2600

10/01/2012

Dear Sir/Madam

I write to express my views on the matter of gift cards. I believe that there are some significant differences between cards that provide a cash amount which can be used in exchange for goods at a nominated retail outlet and cards or vouchers that can be exchanged for an experience.

In the case of cards or vouchers that provide an experience, these cards are purchased at a certain price. Since the cost of providing the experience will increase over time, it is reasonable for the provider to limit the period during which the voucher can be used so that the amount of money that they receive from the purchaser is consistent with their cost in providing the experience to the user. A twelve-month use-by date is fair to the provider, the purchaser and the user.

It is a very different situation, however, for gift cards that are loaded with an amount of cash. I believe that the current practice of imposing use-by dates on such cards is unethical, as is any attempt to restrict the purchases that may be made using the gift card. The recent experience when Borders Bookstore gift cards were honoured only when card-holders spent a considerable additional sum of money in the store went beyond unethical. I do not understand how such behaviour could be acceptable as lawful.

To me the use of cash-amount gift cards should be clear-cut. Once a card has been purchased, the retailer has its money in full, in exchange for the card. There will be no further cost to the business regardless of when the customer uses the card. Of course, the customer may get less value for money if he or she delays using the card for some years. Regardless of this, the customer should have the right to redeem the card at any time in the future. The point in time at which the customer chooses to use the card makes no difference to the retailer, so there is no need for a use-by date.

As the practice of giving gift cards increases in Australian society, I encourage the government to legislate to remove use-by dates, thus stopping the unethical windfall for retailers at the expense of their would-be customers.

Yours sincerely

(Mrs) Judith Powell