

## Misleading Website Reviews: Federal Court Imposes Penalties

**Author :** Aaron McDonald

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The ACCC commenced proceedings against Meriton Property Services Pty Ltd (**'Meriton'**) for engaging in conduct likely to mislead the public in connection with online website reviews on TripAdvisor in *ACCC v Meriton Property Services Pty Ltd* [2017] FCA 1305.

Director Aaron McDonald recently spoke to 882 6PR's Chris Ilsey about the pitfalls of online reviews ([hyperlinked](#)).

### **BACKGROUND**

Meriton offers accommodation services across Queensland and New South Wales. TripAdvisor is a website in Australia that allows travellers to review accommodation services and other travel-related content.

Meriton had taken steps to prevent guests, who they suspected would give unfavourable reviews of their services, from reviewing on TripAdvisor. Staff would insert additional letters into guests' email

addresses that would be provided to TripAdvisor so that an email, which prompted them to give a review, never reached them. In other cases, they did not provide guests email addresses to TripAdvisor at all.

In particular, there were several occasions where the Meriton would engage in this conduct when there were service problems with their accommodation, such as problems with hot water or elevators.

## **OUTCOME**

The Federal Court found that this conduct was misleading and deceptive, in contravention of the *Australian Consumer Law*. The Court outlined that Meriton's conduct was liable to mislead the public as to the nature, characteristics and suitability of purpose of its accommodation. Further, it would create an unjustifiably favourable impression of reviews of the accommodation services.

*"Meriton, at the direction of management, deliberately implemented a strategy to minimise the number of negative reviews its guests posted on TripAdvisor,"* said ACCC Commissioner Sarah Court, *"Many consumers base their purchasing decisions on reviews they get through sites like TripAdvisor. It's therefore vital the reviews on these review sites are not manipulated and accurately reflect all customers' opinions – the good and the bad."*

## **KEY TAKEAWAYS**

With the increasing availability of online review forums, it is important to ensure review websites do not mislead the public in order to avoid significant penalties. *"This decision sends a strong message that businesses must not undermine the integrity of third party review processes in order to mislead or deceive consumers, as this conduct risks breaching the Australian Consumer Law,"* said Ms Court.

It also highlights that misleading and deceptive conduct need not be direct but can be established through tactics of interference, like the case of Meriton.