

COMPETITION COMMISSION OF PAKISTAN

ENQUIRY REPORT

(Under the provisions of Section 37(1) of the Competition Act, 2010)

**IN THE MATTER OF ENQUIRY AGAINST EDEN BUILDERS (PVT)
LIMITED FOR DECEPTIVE MARKETING PRACTICES**

**BY
NOMAN LAIQ & FAIZ-UR-REHMAN
DATED: 22nd FEBRUARY, 2016**

I. BACKGROUND:

1. This enquiry report is prepared pursuant to a *suo moto* action initiated by the Competition Commission of Pakistan (hereinafter referred to as the '**Commission**') on an advertisement published by M/s Eden Builders (Pvt) Ltd (hereinafter referred to as the '**Undertaking**'), launching a housing scheme namely '*Eden Life Islamabad*'
2. The sponsors of the proposed housing scheme claimed through their advertisements in the print and electronic media that the Eden Life residential scheme is duly approved by Capital Development Authority (CDA) and is situated at the drive of 12 minutes from Serena Hotel and 05 minutes from the CDA Enclave and Chak Shehzad. In order to attract the innocent investors, it was also stated that first instalment of the indicated price of plot, if booked during first week of the date of launch will be free.
3. It is pertinent to mention here that an identical project namely "Al Hamra Avenue" was launched by M/s Al Hamra Avenue (Pvt) Ltd at the same location, but its sponsors after raising huge funds from the general public could not deliver the developed plots to the applicants. The Commission apprehending involvement of the Undertaking in deceptive marketing practices decided to initiate a formal enquiry under Section 37(1) of the Competition Act, 2010 (**the Act**') and appointed a Joint Enquiry Committee (**the Committee**') comprising of Mr. Noman Laiq Director (OFT) & Mr Faiz ur Rehman, Assistant Director (OFT).
4. The Committee was directed to determine the factual position and submit its report giving their findings and recommendations *inter alia* on the following issues:
 - i. Whether the conduct of the Undertaking is capable of harming the business interests of other undertakings in violation of Section 10(1) of in terms of Section 10 (2) (a) of the Act?
 - ii. Whether the Undertaking is distributing false or misleading information to consumers, including the distribution of information lacking a reasonable basis related to the price, character, method or place of production, properties, suitability for use, or quality of goods in violation of Section 10(1) of in terms of Section 10 (2) (b) of the Act?

II. DECEPTIVE CLAIMS BY THE UNDERTAKING:

5. The Undertaking launched a housing scheme namely "*Eden Life Islamabad*". In their advertisement published in the '*Daily Jang*' & '*Express Roznama*' dated August, 21, 2015 and also aired on various television channels including Express News & Geo News, it has been claimed that:
 - i. CDA has granted approval to the Undertaking for the building and marketing of the said land in the name of '*Eden Life Islamabad*'.
 - ii. The Undertaking claims that the project '*Eden life Islamabad*' (hereinafter the '**Project**') is at a drive of 12 minutes from Serena Hotel Islamabad and 05 minutes from the proposed CDA Enclave and Chak Shahzad.

- iii. According to the terms and conditions stated in the application/booking form, on completion of full payment an *Allotment Letter* is to be issued to the applicant and it is stated that it will constitute the title document for the plot.
- iv. The advertisement released in the paper indicates the price of land but the development charges to be recovered in future have not been mentioned clearly and instead a disclaimer in fine print appears in the bottom which is not legible.

6. The image of Undertaking's print advertisement is depicted below:

ایڈن ... اب اسلام آباد میں!

Eden Life
ISLAMABAD
Zone-5

CDA انکلیو اور چک شہزاد سے **5 منٹ**
سرینا ہوسٹل سے صرف **12 منٹ** کی ڈرائیو پر واقع

بکنگ 15 فیصد
بقایا 3 سال کی اقساط میں

Education Facility **Health Facility** **Business Zone** **Golf Course** **Cineplex** **Life Promenade**

First Launch Offer

پہلے ہفتے میں بکنگ پر پہلی قسط فری

ایڈن کالگری لائٹ سٹائل اور اسلام آباد کی خوبصورت زندگی
اب آپ کیلئے بھی ...

بکنگ کیلئے سائٹ آفس تشریف لائیں
آفس رات 9 بجے تک کھلا رہے گا

0800-88288

www.edenlife.pk | email: sales@eden.pk

Without development charges

Member
Association of
Builders and Developers

Raymond Hearn
Golf Course Services, Inc.
OFFICIAL DESIGNER
GOLF COURSE DEVELOPER

Approval No. CDA/PLW-H5(RP)218651/2005/162 - (Approved as Alhama Avenue)

7. *Prima Facie*, the claims made by the Undertaking through their advertisement appeared to be in violation of Section 10 of the Act, which for ease of reference is reproduced below:

Section 10. Deceptive marketing practices. — (1) *No undertaking shall enter into deceptive marketing practices.*

(2) *The deceptive marketing practices shall be deemed to have been resorted to or continued if an Undertaking resorts to—*

(a) *the distribution of false or misleading information that is capable of harming the business interests of another undertaking;*

(b) *the distribution of false or misleading information to consumers, including the distribution of information lacking a reasonable basis, related to the price, character, method or place of production, properties, suitability for use, or quality of goods;*

III. CORRESPONDENCE WITH THE UNDERTAKING:

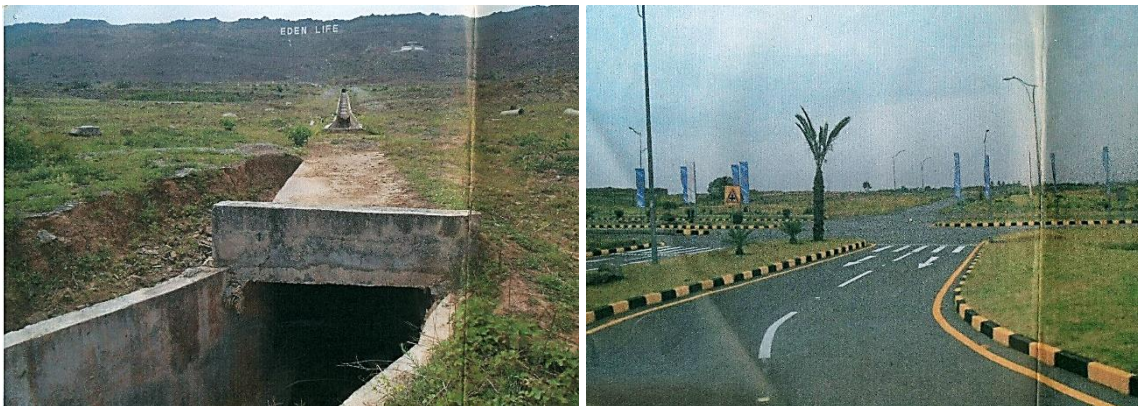
8. A letter was written by the Committee to the Undertaking on August 27, 2015, wherein they were asked to provide the following information along with the documents in support of the aforementioned claims:
- i. The legal status of Eden Life Islamabad and its exact location along with certified copy of approval from CDA.
 - ii. The documentary proof of acquisition of land to be developed for residential plots and evidence of ownership of the residential plots in question, which were previously being developed under the name of Al Hamra Avenue by M/s Al Hamra Avenue (Pvt.) Ltd.
 - iii. The exact distance of the project from Serena Hotel, CDA Enclave and Chak Shahzad.
 - iv. The exact amounts to be deposited as first payments/down payments and the reason for it being non-refundable, as indicated on the application forms.
 - v. Details on development charges to be recovered from the applicant at a later date in future.
9. The Undertaking submitted a reply vide letter dated 5th September, 2015, through its legal counsel, wherein it initially denied allegations against the Undertaking, stating them to be controvert and without any premises. However, for the submission of a detailed response to all the queries, the legal counsel requested for an extension of a fortnight. Considering their request and the public interest involved, an extension of seven days was granted starting from 9th of September, 2015.
10. The Undertaking submitted its detailed reply on 15th of September, 2015, once again claiming the stated allegations to be controvert and denied on grounds without being premises and erroneous. The reply referred to the advertisement in question as being in accordance with the norms of the land development industry.

11. The reply further stated that land development industry is where standards of due diligence are high due to physical location and physical presence consumers carry out a personal level research as well. Advertisements are published to make the public aware of a certain project and invited them to visit and make an informed decision. Moreover, the developers base their marketing campaigns on comparative advertising; comparing in relation to proximity to a certain project or similarity to location or intended purpose. This type of advertising is permitted and a legitimate means of informing consumers on what choices are available in the market. Hence, it neither violates 'consumer's right to choice' nor its 'right to information'.
12. A parawise response to the queries raised was also submitted as under:
 - a. Capital Development Authority (CDA) issued NOC for advertising "Al Hamra Avenue" scheme of Al Hamra Avenue (Pvt.) Ltd on March 15, 2008.
 - b. The application for change of name of the project from 'Al Hamra Avenue' to 'Eden life' was submitted with CDA on September 18, 2013. Further, in response a suit was filed by *Al Hamra Avenue (Pvt) Limited vs. CDA through its Chairman*, with Senior Civil Judge Islamabad. The Honourable Civil Court Islamabad issued an interim order reading:
"Meanwhile, defendant/respondents are restrained from interfering into the peaceful and smooth operation, marketing and implementation of housing scheme of the petitioner in its own new name i.e. Eden Life..."
 - c. It is market practice in real estate sector to charge land charges only at the time of booking and to charge the relevant development charges at a later stage separately. Furthermore, the fact that prices exclude development charges has been mentioned within the advertisement in a legible font along with the "*Approval No. CDA/PLW-HS (RP) 2(865)/2005/162-(Approved as Al Hamra Avenue)*".
 - d. Finally, the booking price charged per plot is lower compared to similar schemes in the vicinity of Eden Life project. (Referring to 1 Kanal Plot – Residential offered by CDA Enclave at Rs. 17.5 Million – Rs. 20 Million).
13. However, on reviewing the reply, the Committee found it unsatisfactory and the Undertaking was further called upon on 13th of October, 2015, to submit the necessary documentary evidence to clarify the issues highlighted in the initial request for information dated August 27, 2015.
14. Meanwhile, Capital Development Authority was requested to provide information, through a letter dated 16th of October, 2015, regarding the factual position of the Undertaking and the said housing scheme.
15. The Undertaking furnished a further reply on 22nd of October, 2015, reinforcing the replies/comments made in the previous reply along with further information. The reply clarified the claims as follows:
 - i. Legal Status of Eden Life: The project named Al Hamra Avenue Housing Scheme went sick and was purchased by new management. Moreover, as Eden was a

premium brand of Pakistan, the project name was changed to Eden Life Islamabad. The decision was taken by Board of Directors on 4th of September, 2013.

- ii. Location & Distance from Landmarks: The reply stated that the exact location and distance of the project from landmarks advertised was not misleading due to the behaviour of a real estate consumer, who practices due diligence in the matters of making a buying decision in real estate, for the purpose of which it visits the actual site multiple times.
 - iii. Booking of Plots & Land Documents: The Undertaking further emphasized that it had never advertised that Eden Builders have purchased the said plots nor is there any evidence suggesting Al Hamra Avenue (Pvt) Ltd had already sold all of its plots. A legal report of land documents totalling 6587 Kanals – 14 Marlas was also submitted along with the reply.
 - iv. Terms and Conditions: In regard to the non-refundable 15% booking price, it stated that it is kept non-refundable to encourage genuine buyers and discourage speculators and investors and that the fact has been disclosed first and foremost among the conditions on the booking form. That generally in all land transactions in the country, “bayana”, which usually amounts 25% to 33% of total amount, is forfeited in case of default and is a standard clause. Moreover, it submitted that all housing projects issue an allotment letter as final document, accepted throughout the industry as a norm.
 - v. Development Charges: the condition of charging development charges at a later stage and not being included in the initial price quoted is clearly and legibly advertised in the advertisement to avoid confusion.
16. Another letter was written for clarification on November 11, 2015, to the Undertaking by the enquiry officers, due to provision of an unsatisfactory reply even on a second attempt. The crux of the letter was to enquire further regarding absence of crucial information about the scheme in the advertisement such as the taking over of a previously sick scheme i.e. Al Hamra Avenue Housing Scheme, by the Undertaking, now being advertised as a new housing scheme. Furthermore, it was enquired from the undertaking whether they have obtained a new NOC from CDA in the name of the new housing scheme, and if so, to provide as such, as the undertaking or its executives had no authority to change the name without issuance of a new NOC in its name. Provision of a copy of latest Court Order was also requested from the Undertaking, in furtherance of the interim order issued previously.
 17. Moreover, the legal land report prepared by M/s Mohsin Tayebaly & Co, as submitted in the latest reply by the Undertaking, indicated that out of total area of 6587 Kanals, Non Encumbrance Certificate (NEC's) were issued with respect to only 328 Kanals and 8 Marlas, and subsequent development in the status was not informed to the public or the enquiry officers. The plea taken in regard of terms and condition also did not appear convincing as if the management failed to deliver, no consequent penalty was provided. The development charges being charged at a later stage did not appear a fair practice either as the Undertaking had no concern whatsoever with the affairs of Al Hamra Avenue.
 18. A reminder was sent to CDA, as no reply had been received from CDA in response to the letter sent previously, dated 16th of October, 2015.

19. Through a letter dated 19th of November, 2015, the Undertaking sought for an extension of 30 days in time to submit their comments regarding the queries raised in the letter dated 11th of November, 2015.
20. A final extension in time was granted to the Undertaking, to file their comments with the enquiry officers, until 14th of December, 2015.
21. The Undertaking submitted a reply, dated 13th of December, 2015, to all the queries raised by the enquiry officers, which is reproduced below:
 - i. Al Hamra Avenue (Pvt) Ltd was acquired by Eden Builders Group through one of its companies named Orange Real Estate Development Company (Pvt) Ltd (“OREDC”) from its previous sponsors. Eden Builders executed shareholders agreement with previous sponsors in 2013 and acquired control of the company, under NOC from the Commission.
 - ii. Since the acquisition of the project, the Undertaking accomplished and engaged in extensive efforts and has spent large amount of funds on developmental activities. It has spent over PKR 75 million on street lights, plantation, road markings, signology, cat eyes and over PKR 200 million on previously unfinished work such as redoing erosions, construction of drainage, sewerage etc, photographs of which are as following:



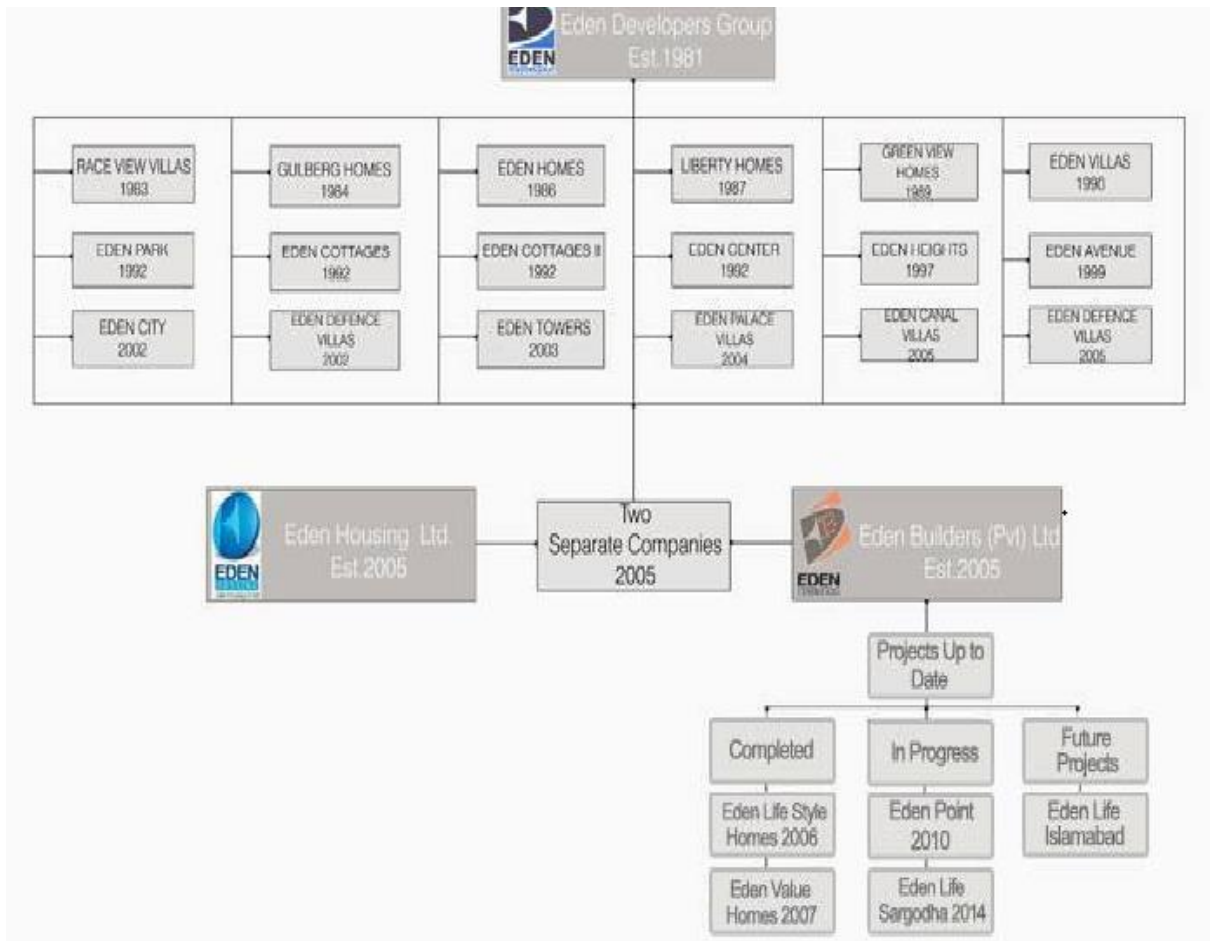


- iii. Allottees have benefitted by the name of Eden attached to the project as prices of plots have gone up significantly higher than since it was acquired.
- iv. The application for the change of name of the project from Al Hamra Avenue to Eden Life was submitted with CDA on September 18, 2013. Further, in response to a suit filed by Al Hamra Avenue (Pvt) Ltd vs. Capital Development Authority through its chairman, with Senior Civil Judge Islamabad. The Honourable Civil Judge Islamabad issued an interim order reading; *“Meanwhile, defendants/respondents are restrained from interfering into the peaceful and smooth operation, marketing and implementation of housing scheme of the petitioner in its new name i.e. Eden Life....”*
- v. Therefore, the launch of the project was not contrary to the law and any proceedings against the said interim order would tantamount to a contempt of court order.

- vi. The fact that the project was previously approved by CDA as Al Hamra Avenue was clearly mentioned in the advertisement.
- vii. The report dated May 26, 2009, prepared by M/s Mohsin Tayebaly & Co. clearly states that the company owned 6587 Kanals – 14 Marlas land of the project. The mention of NECs for the 328 Kanals – 8 Marlas was to strengthen the ownership claim of the company as the fards of that land did not bear patwari's stamp.
- viii. The development charges are claimed at a later stage, when estimation of fairly accurate development cost can be made. Furthermore, it is a norm in the real estate sector that the cost of land is charged at the time of booking, whereas development charges are claimed at a later stage separately. All the renowned developers are following the same practice. DHA, all over the country strictly follows the said practice.
- ix. The new management took over the company and the project with an intention of reviving the same which would result in recovery of the stuck up investment of previous allottees, create employment and become a source of revenue to exchequer.

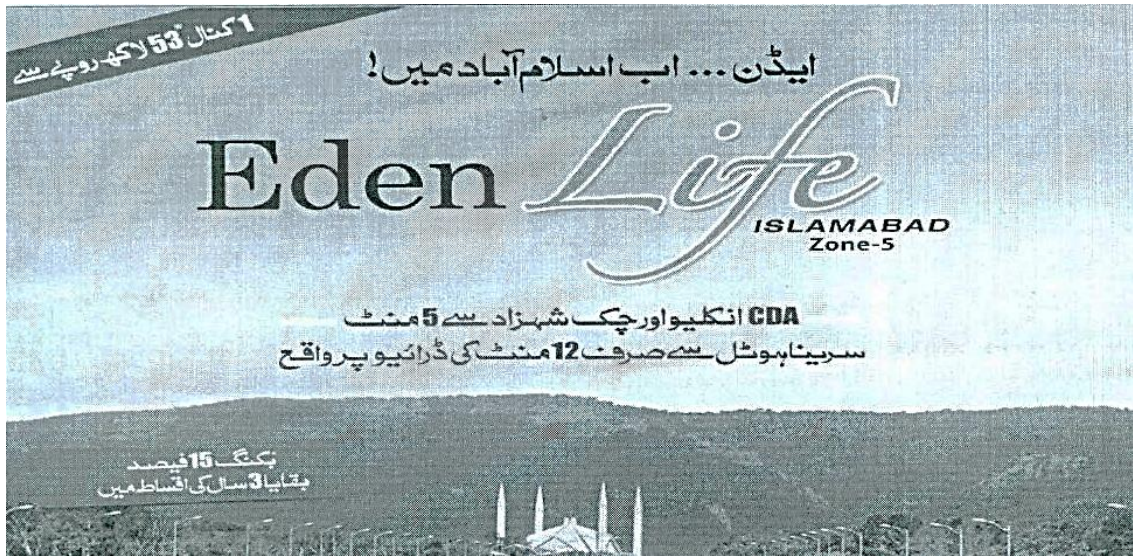
IV. ISSUES & ANALYSIS:

- 22. As mentioned in Para 4, the Committee was directed to determine the factual position and submit its report giving their findings and recommendations *inter alia* on the following issues
 - i. Whether the conduct of the Undertaking is capable of harming the business interests of other undertakings in violation of Section 10(1) of in terms of Section 10 (2) (a) of the Act?
 - ii. Whether the Undertaking is distributing false or misleading information to consumers, including the distribution of information lacking a reasonable basis related to the price, character, method or place of production, properties, suitability for use, or quality of goods in violation of Section 10(1) of in terms of Section 10 (2) (b) of the Act?
- 23. **Legal Status of Eden Life :** M/s Imran Alvi and Associates while explaining the background of project Eden Life stated vide their letter dated 13-12-15 that the housing scheme namely 'Al Hamra Housing Scheme' launched by Al Hamra Avenue (Pvt) Ltd was acquired by a company of Eden Builders namely "Orange Real Estate Development Company (Pvt) Ltd (ORED). According to website of the Eden Builders (Pvt) Ltd, ORED is neither included in the list of their companies, nor any Eden Builders Group of company has been registered with the SECP under the Group Companies Rules.
- 24. Similarly, according to website of M/s Eden Builders, "Eden life" Islamabad is a project of Eden Builders (Pvt) Ltd whereas according to reply received from the legal consultants of the Undertaking the project Al Hamra Housing Scheme launched by Al Hamra Avenue (Pvt) Ltd was acquired and taken over by a company namely Orange Real Estate Development Company (Pvt) Ltd. Here is a snapshot of the Undertakings' website:



25. As regards the change of name of the project i.e. Al Hamra Housing Scheme to Eden Life in a deceptive and unauthorized manner, the Undertaking claims that it was changed by Mr Muhammad Hammad Arshad, CEO of the Al Hamra Avenue (Pvt) Ltd, but neither they provided certified copies of the minutes of the board of directors meeting nor approval of the CDA.
26. According to the Undertaking an application for change of name of the project Al Hamra Housing Scheme to Eden Life was submitted with the CDA on 18- 9- 13, but without obtaining approval of the CDA, they re-launched a housing scheme in the new name. A copy of public advertisement issued by the CDA declaring the so called Eden Life housing scheme as illegal housing scheme in Zone V Islamabad is attached as **Annex-I**.
27. Having failed to seek approval of CDA, the Undertaking obtained a temporary injunction order from the court of civil judge Islamabad on 10- 01 -2015 , wherein the order clearly said that it shall have no effect on any legal or judicial proceedings and shall automatically cease to have effect if not extended specifically on the next date. The Undertaking was asked to produce a certified copy of latest order of the Court extending the temporary injunction, but they failed to produce any order after 10-11-2015.
28. From the above it is evident that investors were invited to invest in the plots of Eden life housing scheme, which could not succeed in its previous name Al Hamra Housing Scheme as approved by CDA and they were completely kept in darkness and misled by the advertisements issued by the Undertaking.

29. **Location & Distance from Landmarks** Moreover, according to a preliminary investigation, the distance of Eden Life Islamabad from Serena Hotel is measured to be 18 Km approximately, which takes about 20 to 22 minutes to reach the sight at an average speed of 70 Km/h, contrary to 12 minutes claimed through their advertisement. Similarly, the distance between Eden Life Islamabad and CDA Enclave is approximately 13 Km, which takes around 15 minutes to reach the sight at an average speed, contrary to the claim of 5 minutes through their advertisement. The relevant part of the advertisement is given hereunder for reference:

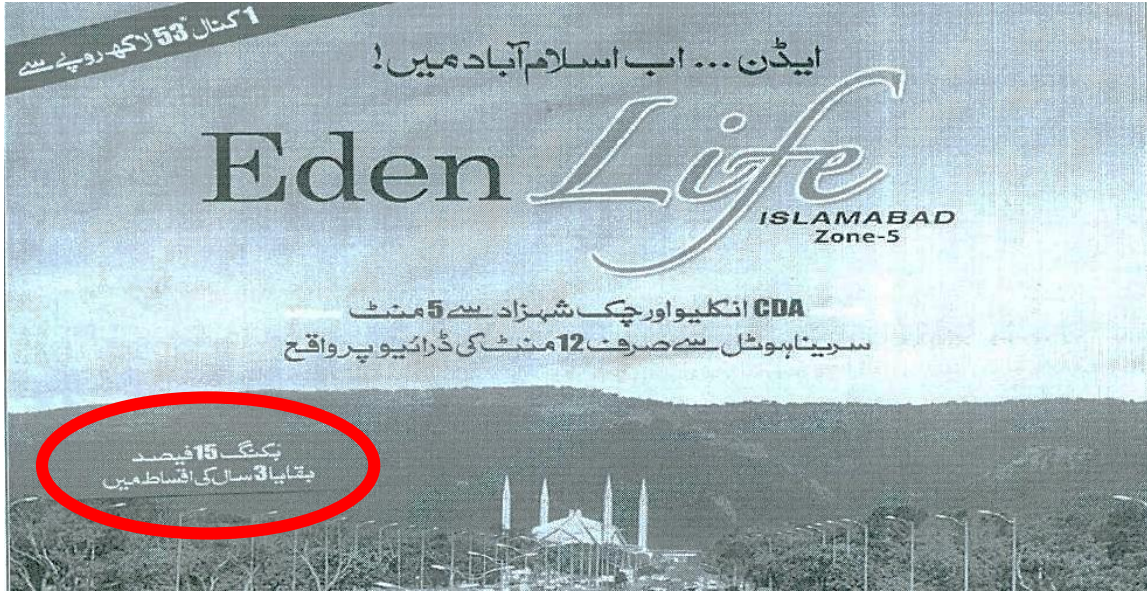


30. **Development Charges:** Apart from the above, the advertisement published in the Print Media indicates the price of land specifically, but conceals the factual position about the development charges. In a fine print, it has been mentioned that the actual price is without development charges. In this regard, the FTC of the USA provided the following clear guidelines which are to be abided by any advertiser in the process of advertising:

“A. In a print advertisement, the disclosure shall be in a type size, location, and in print that contrasts with the background against which it appears, sufficient for an ordinary consumer to notice, read, and comprehend it.”¹

31. Moreover, in the absence of declaration of actual development charges or total price (sum of land charges and development charges) in the payment schedule, it is to be perceived that the payment schedule will not end in 3 years, contrary to the advertisement as under:

¹ <https://www.ftc.gov/system/files/documents/cases/141212rameycmpt.pdf>



The schedule provided by the Undertaking comprises only of land charges payable over a period of 03 years and the customer is attracted towards the scheme by marketing it as if the customer will be free of all liability of payment within 3 years. However, in actual the payment plan will extend if/when the development charges will be added to the land charges, thereby misleading the customers.

32. **Terms & Conditions:** As regards the terms and conditions stated in the application/booking form, it reads that an *Allotment Letter* shall be issued to an applicant on completing all their due payment and that it will constitute the title document for the plot. Relevant portion of the terms and conditions is reproduced for reference;

TERMS AND CONDITIONS	
Balloting	
1.	Computerized balloting for plot location will be held in due course of time.
2.	Premium will be charged on non-standard plots (for example facing park, main boulevard, corner etc)
Payment	
3.	The first payment deposited by the Applicant in relation to the Plot is non-refundable and will be considered acceptance of these Terms and Conditions.
4.	The Applicant will make payment of the land charges and development charges ('Total Price') of the plot in installments according to the payment plan stipulated by Eden.
5.	All payment of installments made by the Applicant till issuance of allotment letter will be treated as an advance payment. After completion of payment of the Total Price according to the payment plan, an allotment letter will be issued to the Applicant. This allotment letter will constitute the title document for the Plot.
6.	Development charges will be paid by the Applicant as assessed by Eden Management. Possession of plot will be delivered on completion of payment of Total Price.
7.	The Applicant will be henceforth liable to pay any taxes or other public levies including but not limited to wealth tax, excise duty, charges related to transfer of title, sales tax, CVT, registration or any other payment levied on the Plot by any public authority.

33. It has been found that the market practice is contrary to the said terms. As per market practice, a '*Provisional Allotment Letter*' is issued to applicants on completion of booking price/down payment of the plot, which signifies that the respective plot stands allotted to the applicant provisionally and when the applicants will complete all due payments, the plots will be handed over to the applicants through a '*Possession Letter*' **and that must be based on registered deed of the respective plot particularly in the case of a Company Limited by shares under the Companies Ordinance 1984.** A '*Provisional Allotment Letter*' is not considered a title document in standard market practice.

34. When purchasing an under construction property, an applicant is required to receive an allotment letter from the builder, generally upon payment of 10%-30% of the property value to the developer. This letter includes all the details regarding the property, the payment options and any extra charges that the applicant may have to pay in case of maintenance or additional facilities. It also includes the construction schedule, house plans, delivery date and builder's liability in case of late completion or problems after possession. However, immovable property cannot be sold under a 'Letter of Allotment'. It must be sold by a registered deed or conveyance in favour of the purchaser by the vendor. By virtue of an allotment letter an applicant is intimated that he qualifies to get a plot in a housing scheme. Therefore, a 'Letter of Allotment' does not require any registration or payment of stamp duty as there is no transfer of right in respect of any immovable property.
35. Moreover, the Commerce Commission New Zealand, in its 'Consumer and Unfair Contract Terms', explains what unfair contract terms are and what to look out for when signing a standard form consumer contract. It says for a term to be unfair, three requirements have to be met²:
- a. *The term must cause a significant imbalance between the parties.*
 - b. *The term must not be reasonably necessary to protect the legitimate interests of the business.*
 - c. *The term causes detriment.*

It is pertinent to consider here that failing to mention in the terms and conditions that an allotment letter does not signify conveyance of title to the buyer causes a significant imbalance between the parties, where the customer is at the risk of losing whole/part of its investment paid in the form of price of the land.

36. In another similar case, the Commerce Commission New Zealand, in its Fair Trading Act Fact Sheets, explains the declaration of additional costs in fine print in an advertisement as;

"When consumers see an advertised price for a good or service, they are entitled to assume that price is the full price they will be expected to pay. Fine print should not be used to disclose additional costs or charges associated with a purchase.

Attempts to advise in fine print that GST or on-road costs are additional are unlikely to prevent consumers from being misled."³

37. Similarly, in a case investigated by the Commerce Commission New Zealand against a Hamilton real estate agent, the Commerce Commission held that the agent who sold a property described as "out of the hustle and bustle" should have told buyers that an apartment complex was going to be built next door⁴. In this instance the Commission considered the Section 14(1)(b) of the Fair Trading Act which says;

² <http://www.comcom.govt.nz/fair-trading/fair-trading-act-fact-sheets/consumers-and-unfair-contract-terms/>

³ <http://www.comcom.govt.nz/fair-trading/fair-trading-act-fact-sheets/fine-print/>

⁴ <http://www.comcom.govt.nz/the-commission/media-centre/media-releases/2006/realestateagentshouldhavetoldbuyer>

14 (1.) No person shall, in trade, in connection with the sale or grant or possible sale or grant of an interest in land or with the promotion by any means of the sale or grant of an interest in land, -

b. Make a false or misleading representation concerning the nature of the interest in the land, the price payable for the land, the location of the land, the characteristics of the land, the use to which the land is capable of being put or may lawfully be put, or the existence or availability of facilities associated with the land.”

38. It is pertinent to highlight that the Australian Competition and Consumer Commission (ACCC) has given guidelines on real estate industry for consumer rights protection. The guidelines explain how real estate agents must not mislead a consumer and must use fair contract terms in line with federal, state and territory laws. The ACCC gives out the following obligations for real estate agents⁵:

“It is unlawful for real estate agents to:

- a. intentionally mislead you*
- b. lead you to a wrong conclusion or impression*
- c. give you a false impression*
- d. leave out or hide important information (e.g. in fine-print disclaimers)*
- e. make false or inaccurate claims.*

It makes no difference whether the agent meant to mislead or deceive you—it is how you perceived the conduct that matters.”

39. The ACCC also held that in order to reduce the chances of misleading the consumer, a real estate agent must:

- a. disclose all information relevant to the price of the property*
- b. advertise the selling price based on a reasonable market appraisal or the price the seller has indicated they are likely to accept*
- c. not make false claims about the price of the property*
- d. not advertise or under quote a property at a price significantly less than the selling price to attract interest in the property*
- e. not make false claims about the location, characteristics or use that can be made of the land*

40. In view of the above, it is evident that the Undertaking made certain absolute claims in their advertisements, but failed to support their contentions, despite the directions given and opportunity provided by the Committee. Hence the Undertaking by publishing the above mentioned advertisements *prima facie* entered into deceptive marketing practices in terms of Section 10 (1) of the Act. Furthermore, it was found distributing false and misleading information that is capable of harming the business interests of other undertakings and also distributing false or misleading information to consumers, including the distribution of information lacking a reasonable basis related to the price, character,

⁵ <http://www.accc.gov.au/consumers/health-home-car/real-estate>

method properties, suitability for use, or quality of goods, thus attracting the provisions of Section 10(2)(a) and 10(2)(b) of the Act.

V. CONCLUSION AND RECOMEDATIONS

41. The material, information and documents collected through the market, print and electronic media and also demanded from the Undertaking was thoroughly examined and we are of the opinion that the conduct of the Undertaking, i.e. making false and baseless claims through advertisement in the print and electronic media, is neither justified nor supported by valid documents. The offer of plots in a failed housing scheme which did not have approval of the CDA is tantamount to entering into deceptive marketing practices and is misleading to the general public.
42. The Undertaking, through its baseless claims, has *prima facie* entered into deceptive marketing practices in violation of the provisions of Section 10(1) in terms of Section 10(2)(a) and (b) of the Act.
43. Luring money from innocent consumers on the basis of false claims is a deceitful practice which demands timely action by the regulators and law enforcing agencies. The *prima facie* violations discussed above in terms of the findings of the enquiry report warrant initiation of proceedings against Eden Builders (Pvt) Limited under Section 30 of the Act.

Noman Laiq
Director
(Enquiry Officer)

Faiz ur Rehman
Assistant Director
(Enquiry Officer)