

## **Responses to our questions from PhotobookShop,**

### **1. What is your response to the ACCC action, and in particular the ACCC's comment that your business was actively seeking to mislead consumers?**

We acknowledge the ACCC's action and have paid the infringement notices. As noted by the ACCC, payment of an infringement notice is not an admission of a contravention of the Australian Consumer Law.

That said, we recognise that aspects of the influencer content in question fell short of the level of transparency our customers should expect.

We do not accept that we were actively seeking to mislead consumers. However, we accept that our processes at the time were not sufficiently clear, and we have taken full responsibility for improving them.

### **2. Were you seeking to mislead potential customers via influencers?**

Our intention was to promote our products through creators and influencers, many of whom were paid for their work – similar to how brands engage actors or talent in traditional advertising such as television commercials.

At the time, disclosure practices across the broader influencer industry were inconsistent, with the majority of similar content across many brands not clearly disclosing commercial relationships. While that provides context, it does not excuse our approach.

In some instances, disclosures about these commercial relationships, including where products were gifted, were not sufficiently clear. We acknowledge that this created a lack of transparency and fell short of the standards customers should expect.

We regret that outcome and have since implemented stricter disclosure requirements across all creator content.

### **3. How have you changed your contracts since the action?**

We have made several important changes to both our agreements and internal processes:

- All creator and influencer content must now include clear disclosure of any commercial relationship, including where products have been gifted

- Influencer agreements have been updated to reflect stricter compliance with Australian Consumer Law
- Internal approval and publishing processes have been strengthened to ensure disclosures are consistently applied
- Influencer content is no longer edited in any way that alters its substance or overall impression

These changes are already in place and apply across all current and future campaigns.

**4. We have identified a number of social media posts that continue to promote your product without disclosing that the creators received payment or that the products were gifted. Are you continuing to mislead potential consumers (could you send us a copy of the current contract with influencers)? (updated)**

Whilst we do not agree that our intention was to mislead customers, we have indeed taken appropriate action. Following the ACCC action, our team conducted a comprehensive review of our social media content. While the vast majority of content had already been updated or removed, a small number of old posts were identified through this process and have since been corrected or taken down. Thank You for pointing this out.

All current creator and influencer content published by PhotobookShop includes clear disclosure of any commercial relationship, including where products have been gifted. It is also important to distinguish that genuinely organic content - where there is no payment, agreement or commercial relationship - does not require disclosure, and applying disclosure in those cases would itself be misleading to consumers

Our influencer agreements are managed through third-party platforms and contain commercially sensitive information.

We take this matter seriously. PhotobookShop has been serving Australian customers for more than 15 years, and maintaining trust through transparency and honest communication is critical to our business. This has been an important learning experience, and we are committed to doing better.