

## **SCANNERS AND OTHER PRICE LOOK-UP SYSTEMS A GUIDE FOR BUSINESSES**

### **What are price lookup systems?**

Price look-up systems are electronic systems that electronically retrieve the price of commodities. The most common are scanners that read the bar code printed on the product or label.

### **Who regulates these systems?**

In California, price look-up systems are regulated by Weights and Measures officials under the California Business and Professions Code.

### **What does the law say about price discrepancies?**

State law specifies that it is illegal for a person or business to represent a false quantity or price in connection with the sale or advertising of any commodity or service. Therefore, the price charged for an item using a scanner or other price look-up system must agree with the lowest price that is quoted, advertised, or displayed for that item. In California, this includes **expired** shelf tags, when those tags are still in place.

### **What is the appropriate way for store management to implement price changes?**

Price changing procedures must ensure that the customer is **never** charged more for an item than is advertised or displayed. Thus, when price changes are made during business hours, the price must be reduced in the scanner system before the new price is advertised. When the price of an item is going up, the advertised or displayed price must be increased before the new price is put into the scanner system. Some stores avoid making price changes while the store is open.

### **What if the price charged doesn't match the advertised price?**

If the price charged is more than the price advertised or displayed, store management must refund the difference between the amounts. Management must take whatever steps necessary to permanently correct the pricing error.

### **When will Contra Costa County Division of Weights and Measures conduct a price look-up inspection?**

Routine inspections are conducted on a regular basis. They are also performed in response to consumer complaints, State surveys, or to enjoin with other counties and/or the California Division of Measurement Standards investigations of wide spread violations. In this last instance, companies may be penalized hundreds of thousands of dollars if the violations are severe enough.

### **What happens when a customer complains to the Contra Costa Division of Weights and Measures?**

The inspector assigned to investigate the complaint (generally the program Lead Inspector) will obtain as much information as possible from the complainant regarding the alleged overcharge. The inspector will then visit the store, contact store personnel to explain the purpose of the visit, and then perform an inspection. The inspector will attempt to duplicate the circumstances in which the complainant's purchase was made. The inspector may also perform a more thorough inspection while at the store in addition to investigating the complaint. In certain circumstances, the complaint investigation may be performed undercover. A report will then be generated at the conclusion of the investigation. The complainant and the business will be notified of the investigations findings, and the Division will take appropriate enforcement action if needed. Complainants' names are considered confidential information.

Store personnel should also respond courteously to customers when they bring a perceived or actual pricing error to the store's attention, and then correct the error immediately so that

neither that customer nor other customers are overcharged. Many, if not most, pricing error complaints that our division receives are due to perceived discourtesy to the customer or failure to correct the error that the customer pointed out.

The store needs to respond by permanently correcting the pricing error, not just by refunding any overcharge to that particular customer. From both a public relations and a time/cost savings point of view, it is better to resolve the complaint before our staff needs to become involved.

Handling a complaint at the store level also benefits both the business and the consumer from a public monies point of view, since it allows our Division to use personnel and resources elsewhere.

### **What happens when an overcharge is found?**

The philosophy in dealing with Weights and Measures violations is to use the lowest level of enforcement possible to effect compliance with the law. A Notice of Violation will be written for a minor error and store personnel allowed to make corrections. Administrative penalties of up to \$1,000 will be assessed for more serious or repeated violations.

State Weights and Measures Officials are always notified of any overcharges. In addition, the Weights and Measures Officials in other counties are also often notified when a business operates in more than one county. This is done to determine if the error is widespread or confined to one location. The District Attorney's Office in our county or in several counties may get involved in cases where there are wide spread errors.

### **What steps should store management take to ensure that the price charged matches the price advertised or displayed?**

Store management should ensure that all signs indicating price changes are placed and/or removed in a timely manner. Management should make certain that store personnel are posting price reduction signs in the correct locations and for the correct products. Steps should be taken to ensure that items are stocked in the correct locations, and a procedure developed to monitor merchandise that may have been moved or replaced in the wrong location by customers. In addition, it is recommended that store management implement a self-inspection program whereby advertised and displayed prices are compared to scanned prices at the checkout.

If price changes are entered into the system by outside vendors, procedures should be developed to monitor vendor-pricing changes to ensure accuracy and timeliness. It is the store, not the vendor, who will be held responsible for any price discrepancies.

As stated above, store personnel should respond courteously to customers when they bring a perceived or actual pricing error to the store's attention, and then correct the error immediately so that neither that customer nor other customers are overcharged.

Store managers or owners are encouraged to contact our department with any questions or concerns they may have regarding price verification audits and/or pricing errors. It is best to make that contact **before** enforcement reaches the penalty stage. Questions should be directed either to the inspector that performed the audit, the Lead Inspector in charge of the price verification program, or the Deputy Sealer of Weights and Measures (Division Supervisor). We may be reached at (925) 608-6600.