

“Watch” out

High-fashion wristwatches are being sold at discount prices by some Ontario merchants this spring. But experts from the Ministry of Consumer and Commercial Relations suggest shoppers should look further than the price tag before they buy.

“Our office has been receiving reports of a lot of grey-market watches, portable radios and small appliances for sale recently,” says Marilyn Gurevsky, of the ministry’s Consumer Services Bureau.

Grey-market products are foreign-made goods not intended for sale in Canada. Dealers import them to sell at reduced prices. While the practice is legal, it may not serve consumers’ best interests in the long run.

Gurevsky says the term “grey market” came about because it isn’t clear who benefits. Manufacturers can get rid of large quantities of goods that were unpopular in their intended market. But other companies and retailers say price undercutting makes it impossible for anyone to make a reasonable profit.

“The only thing that’s definite in the grey market is that the consumer’s problem isn’t the quality of the goods,” says Gurevsky. “Many are top-of-the-line. The difficulty comes when something goes wrong with the product and warranties aren’t honored in Canada.”

Warranty repairs frequently won’t be made even if an identical product is sold in Canada.

For example, certain jewellers here may be authorized by the manufacturer to sell Brand-X Swiss watches. Those dealers pay part of their profit to help cover advertising and warranty service costs.

But grey marketeers might buy a big shipment of Brand-X watches in Switzerland for a low price. They can sell them for less than the authorized dealer.

That should be good news for the consumer, but there’s a catch. Grey marketeers haven’t paid to support the set-up of a repair service, and when the consumer tries to get their watch fixed, the service centre may simply send them away.

“We’ve seen many cases where repairers don’t have the parts to fix a product even when the consumer wants to pay for the service,” Gurevsky says. “Many grey-market goods we see for sale in Ontario are small electronic products. A model A1234i cassette recorder may look just like model A1234ii, yet have completely different inner workings.”

Owners of grey-market watches now being sold may soon experience similar problems. Although repairers may have every confidence in their abilities to fix them, the parts for some of these models just won’t be available in Canada.

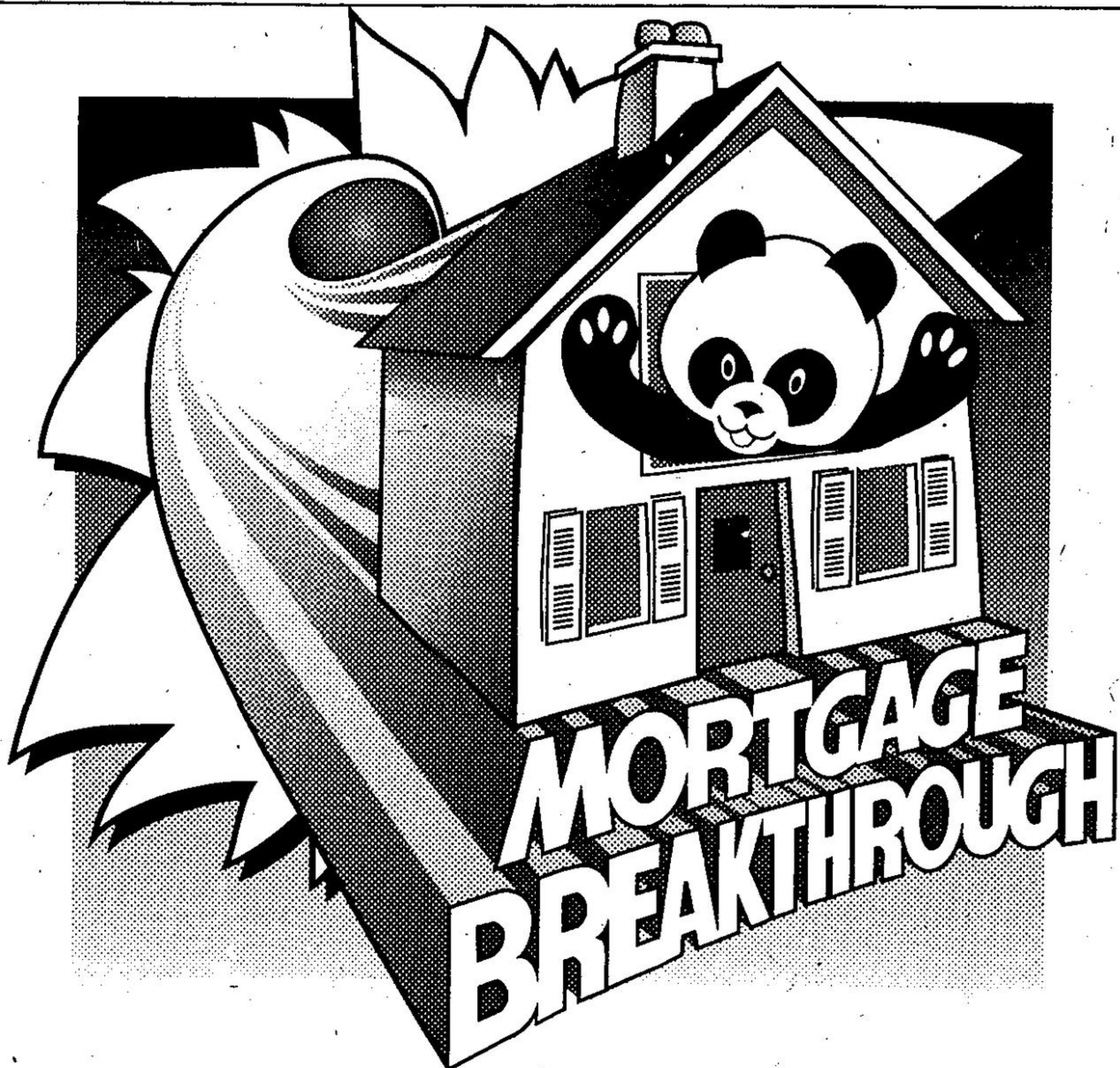
Some grey-market retailers offer a store warranty on goods. But many rely on quick-turnover high-volume sales and may change locations frequently. Consumers are reminded store warranties are valid only as long as the retailer is in business.

• “Authorized dealer” signs. Not all manufacturers issue plaques or signs, so consumers who don’t see them should ask for the dealer’s association with the producer.

• Labels and instructions in French and English. These will indicate the product was probably made for the Canadian market. On electrical appliances, look for Canadian Standards Association or Ontario Hydro certification.

• A warranty-registration card to be sent to a Canadian address. If the address is outside the country, the unit probably wasn’t imported by an authorized dealer.

For information on a variety of consumer issues write to the Consumer Information Centre, Ministry of Consumer and Commercial Relations, 555 Yonge Street, 1st. Fl., Toronto, Ontario, M7A 2H6.



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