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Shell fights Commerce Commission action

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Petrol company Shell has revealed it is facing Commerce Commission action under the Fair Trading Act over a product the company said improves fuel economy.

The company on Thursday published advertisements in major newspapers defending the "fuel economy formula" product.

The commission has confirmed it has informed Shell that it intends to take court action.

However Shell maintains it has already successfully defended the product against an Advertising Standards Authority complaint two years ago.

It claims tests show the fuel produces an increase in fuel economy of almost 1%, and will defend any prosecution.

The company said it has been co-operating with the commission during its near two-year investigation and is disappointed it is being taken to court.

A Commerce Commission spokesman said Shell's decision to publish advertisements in major newspapers on Thursday was out of the Commission's control, and it will not be making any further comment.

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