

Teacher's notes

Consumer Rules - We are all consumers. When we buy goods and services, there is usually a chain of people involved and this can increase the chances of something going wrong.

It is therefore important to have rules, both when buying and when selling goods to ensure that everyone in the chain expects the same thing to happen.

Some of the rights that Consumers have and what they expect to receive:-

- Right to choose
- Right to accurate information
- Right to safety
- Right to value for money
- Right to redress

In order for these rights to happen, it is necessary that traders follow certain rules.

Examples:

- No lying about goods and services
- Goods must not be broken when sold
- Services must be undertaken to a reasonable standard

When do these rights exist?

Every buyer has these three basic rights when buying goods as a consumer (i.e. for their own personal use and not for business use) from a trader (defined as a person who purchases or produces goods with the intention of selling them on to others) in the course of the trader's normal business. Traders also have these rights when buying from other traders in the course of business.

Private sales are only covered by the "...as described" section under this Law.

What is a contract?

Every sale made by a trader to a private individual involves a contract either written or verbal. This is an agreement that entitles the consumer to satisfactory goods in return for a payment to the trader at the agreed time and of the agreed amount (usually there and then).

The two stages leading to the 'sealing of the contract' are:

- the offer - when the purchaser offers to buy
- the acceptance - when the seller agrees to sell.

What are our consumer responsibilities?

The contract places some responsibilities on the buyer too and there are circumstances where the buyer has no real grounds for complaint. These include situations where:

- the trader pointed out the fault at the time of purchase
- the buyer made an examination of the goods at the time of purchase and should have seen the fault
- the buyer has damaged the goods
- the buyer made a mistake (e.g. in the size or colour) when purchasing the goods.

What if a trader refuses your rights?

These consumer rights exist for all sale of goods and they are enforceable by law. In situations where a trader refuses to provide a refund, a fair exchange or adequate compensation when you have a valid complaint it is possible to seek redress through the Civil Courts (County Court/High Court).

There is also the Small Claims Section of the County Court which is cheap, simple and more informal than the standard court procedures. Claims must be for less than £5000, or £1000 where there is an element of personal injury. Remember, it is always possible to obtain free advice from a Citizens Advice Bureau or your local Trading Standards Department. They will be able to suggest the best course of action.

The importance of the receipt?

A receipt is the buyer's most convenient way of proving where, when and for what amount the goods were bought. If a receipt is issued it will normally include identification of the trader, the date and price of the purchase and, often but not always, details of the method of payment and the trader's VAT registration number.

A receipt is not essential. Some alternative proof of purchase may be enough, for example a cheque stub or credit card slip. However, for the purposes of this course it is advisable to stress the need to keep a receipt since most transactions will involve the use of cash.

However, while it is advisable to always ask for a receipt, there is no legal obligation on the trader to provide one.

If the trader should later dispute a buyer's claim to a refund or compensation and the case is taken to court, the buyer's argument will be weakened if he or she cannot supply a receipt to confirm proof of purchase.

What is a guarantee/warranty?

It is very important to realise that nothing can take away your statutory consumer rights; they can only be added to. A guarantee, or warranty, can do that.

A guarantee is a very useful thing to have. If a fault should become apparent after a long period of time, but within the guarantee period, the consumer can still get it put right.

The exact nature of the guarantee can vary, but it is usually a promise that if there is a problem with the goods within a stated period (most frequently a year), the goods will be repaired free of charge, (although some guarantees cover only the costs of replacement parts and not the cost of labour).

What is an extended guarantee?

Extended guarantees or warranties are usually offered along the same lines however there are two very important differences:

- they cover a longer period, typically three or five years;
- they cost money.

They can be very costly and it is always worth shopping around, as the cost of an extended guarantee can vary from shop to shop, even if it is for the same item. It is also very important to check the terms of the guarantee very carefully - they are not all the same.

Remember too that the first year is often covered by a free guarantee anyway, which means that you are actually paying only for an extra two or four years. It is extremely important to remember that if you buy any electrical product and it proves to have any kind of fault, you must let the trader know about it as soon as possible. If you cannot get to their premises straight away, then telephone and tell them that you have a problem. The longer that you leave it before complaining, the more difficult it will be for you to convince the trader that they should do something about it. Speed is not such a problem if the product is still under guarantee, however it is better to make your complaint known as soon as possible.