

Refunds notices and consumer rights

Trading Standards Information

www.southwark.gov.uk

1. Introduction

It is recognised that businesses can suffer from the activities of problem customers, such as those who buy something to wear it once and then seek a refund. However when businesses try to deter such customers by using statements such as '**no refunds**' they are breaking the law.

2. Main legal controls

The display of signs or receipts containing statements which could mislead your customers as to their *statutory rights* is illegal.

Examples of statements which cannot be made include;

- **No cash refunds**
- **No money refunded on sale goods**
- **Sold as seen and inspected**
- **No refunds without a receipt**
- **Defective goods to be returned within 1 week of purchase**

All of the above are misleading because they state, or imply, that a customer with a genuine complaint about goods supplied, would not be able to seek redress from the business when, in fact, they have a legal right to do so.

3. What are 'statutory rights'?

Contracts for the supply of goods, for example those between a shop and its customers, have certain terms implied into them by the law. These terms are often referred to as the customers 'statutory rights'.

The statutory rights relate to the supply of goods which are faulty, misdescribed, or are not of a satisfactory quality. In general, the customer is entitled to a refund if goods supplied fall into any of these categories. The can also ask for a repair or a replacement item.

The rights apply to sale items and second-hand goods but note the information in section 6 on this.

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4. What if my customer simply changes their mind?

Customers are not entitled to any refund or exchange if they simply change their mind about a purchase or receive an unwanted gift.

However, many businesses choose to adopt a policy of refunding in such circumstances and customers sometimes mistakenly believe traders are obliged to do so.

If you have a dispute with a customer then you can refer them to Consumer Direct on 08454 04 05 06. Consumer Direct is the government-funded telephone and online service offering information and advice on consumer issues.

5. What notices can I use?

If you wish to display a notice about your policy choose one of the examples attached to suit your needs.

For receipts we suggest you just ensure that your businesses details are printed on them and the statement "please retain as proof of purchase".

If you do wish to offer refunds or exchanges for other reasons beyond the customers statutory rights then a suggested policy is shown below;

Returns Policy.

If you change your mind about your purchase, please return the unused goods to us with the original till receipt within 14 days, and we will offer you an exchange or a credit note.

This does not affect your statutory rights regarding refunds, replacements or repairs/compensation in the event goods are faulty, misdescribed or not of satisfactory quality.'

6. What about sale goods, second hand goods & rejects?

The statutory rights apply to goods reduced in a sale, or second hand goods, in the same way as for new goods. So they must still be fit for their purpose, as described and of satisfactory quality.

However, what a customer can reasonably expect from a second hand article is likely to be different from what they would expect from a brand new article.

If goods are reduced because of a defect, **which is made known to the customer**, then there would be no obligation to refund if the customer subsequently complained about that defect. However if a different defect developed the customers statutory rights still apply.

7. What are the penalties for using misleading statements?

You could be prosecuted for a breach of the Consumer Protection from Unfair Trading Regulations 2008. On conviction the maximum penalties are a fine of £5000 in the Magistrates court or, in the Crown court, an unlimited fine or imprisonment for up to two years, or both.

Enforcement authorities can also seek a court order using the Enterprise Act 2002. A breach of any such order could lead to up to two years imprisonment and/or an unlimited fine.

8. Further information

If you require further assistance or additional guidance please contact us at the address given.

PLEASE NOTE only the Courts can interpret legislation with authority and this leaflet is subject to revision or amendment without notice.
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Refunds policy

We will only give refunds in the following circumstances;

- Where goods do not correspond with their description
- Where goods are not fit for their purpose
- Where goods are not of satisfactory quality

If goods are returned for other reasons refunds, exchanges or credit notes will only be given at our discretion.

This policy does not affect your statutory rights under the Sale of Goods Act 1979. Please keep your receipt as proof of purchase

Refunds policy

Sorry but we are unable to give refunds just because you change your mind.

Please make sure you are happy with your goods before you buy.

This policy does not affect your statutory rights under the Sale of Goods Act 1979. Please keep your receipt as proof of purchase.