

Consumer Protection laws



Pages 58-61

To appreciate the purpose of consumer protection laws & apply them to business

Aims for today

- *To appreciate the purpose of key consumer protection laws and be able to apply them to real business examples*



To appreciate the purpose of consumer protection laws & apply them to business

Consumer Protection

- Fair trading regulations exist to *protect consumers from exploitation.*

Consumers have basic legal rights and can complain/sue if a product is:

- Giving a **misleading description**
- Of an **unsatisfactory quality**
- Not **fit for its intended purpose**

When consumers buy products they expect:

That the product is made correctly



That the product is advertised correctly and honestly



That the product will do the job that it was purchased for



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Consumer protection

Businesses must operate within the law.

Key Laws include:

- The Weights & Measures Act 1951
- The Trade Descriptions Act 1968
- The Unsolicited Goods Act 1971
- The Consumer Credit Act 1974
- The Consumer Protection Act 1987
- Consumer Protection (Distance Selling) Regulations 2000
- Sale and Supply of Goods to Consumers Regulations 2002



The main Consumer Protection Laws



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1. Sale & Supply of Goods Act 1994

- This Act says that all products have to be of a **'satisfactory quality'**. This means that they have to:
 - be safe
 - last for a reasonable amount of time
 - be fit for their intended purpose
 - have nothing wrong with them (unless the defect was noted at the time of sale)



2. Trade Descriptions Acts 1968 & 1972

Businesses must not:

- Give false or misleading information about products - for example, who made the product.
- Market fake designer goods as the genuine product.
- Advertisements, labels must be truthful

Check your Coat



3. Consumer Credit Act 1974

This protects you when you borrow or buy on credit.



- Businesses must have licences to give credit.
- No one under 18 is allowed to be offered credit.
- Businesses have to state the Annual Percentage Rate (APR).
- If you sign a credit agreement at home you have several days in which you can tear up the agreement. This is called a 'cooling off period'.

Personal Loan Calculator

Calculate my monthly repayments

Please note, the fields marked (*) are mandatory.

(*) Amount I would like to borrow: (£1,000 - £20,000 in increments of £50) £

(*) Length of loan ▼

[Recalculate](#)

My monthly repayments

Typical APR:

Monthly loan repayment:

Total amount repayable:

Monthly loan repayment with PPI:

Total amount repayable (with PPI):

Important

The actual rate you will pay depends on a credit assessment of your personal circumstances. All figures quoted for Personal Loan Payment Protection Insurance include Insurance Premium Tax at the rate applicable on the date published. Any change will affect premiums payable.

Please ensure you read all documentation carefully to ensure you fully understand the product before you apply.

*** Monthly repayment with PPI includes the monthly insurance cost of £17.77

**** Total repayment with PPI includes the total insurance cost over the loan term of £639.72

4. Weights & Measures Act 1951



- Some Products can only be sold in certain quantities
 - E.g. Alcohol



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5. Consumer Protection Acts 1978 & 1987

- Controls the advertising of prices of goods
 - **ALL** goods in a sale must have been sold at the higher price for at least 28 days

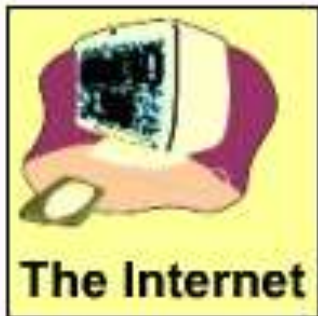


- If a consumer is harmed by any faulty goods they can claim damages from the business

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Consumer Protection (Distance Selling Regulations) 2000

- This covers items that are bought from:



- The Key Features of the Law are:

- Clear information must be given on Delivery, Payment Terms, Suppliers Details and the Cancellation Policy
- Information on the purchase should be provided to the customer in writing
 - This can be via e-mail
- That consumers have **7 DAYS** to cool off from the purchase!

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Ebay

- <http://www.ebay.co.uk/>



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The effects of consumer legislation

- How does consumer protection legislation impact on businesses?



- Extension: Explore www.consumerdirect.gov.uk and identify a range of issues that consumers can get help with.

www.consumerdirect.gov.uk

The screenshot shows the homepage of the Consumer Direct website. At the top, there is a navigation bar with links for Home, Increase Text Size, Contact Us, Newsroom, Organisations we work with, Search, Sitemap, and Welsh. Below this is a header with five main categories: VIDEO page guide, BEFORE you buy, AFTER you buy, SCAMS WATCH OUT!, and ENERGY and Post. On the left, there is a 'welcome' message in a speech bubble, stating that Consumer Direct provides clear, practical, consumer advice. Below this is a search bar with the text '...or search for a specific issue:' and a 'GO' button. The main content area features three columns: 'Goods & Services' (purple background), 'Your Rights' (orange background), and 'Consumer Issues' (green background). Each column contains a list of links to various consumer-related topics. A central banner for 'SCAMNESTY' is also visible, along with a 'KNOW YOUR CONSUMER RIGHTS' tag and a 'Find out more' button.

Home | Increase Text Size | Contact Us | Newsroom | Organisations we work with | Search | Sitemap | Welsh

consumer direct
funded by government

welcome

Consumer Direct provides clear, practical, consumer advice.

Our website has been designed to provide you with advice before you buy and the information you need to resolve your consumer issues after you have made a purchase. If you can't find the answers to your problem on the site, our regionally based telephone advisors can give practical advice on various consumer issues - from problems with cars to faulty household appliances.

ABOUT Consumer Direct

VIDEO page guide | **BEFORE you buy** | **AFTER you buy** | **SCAMS WATCH OUT!** | **ENERGY and Post**

1-28 FEBRUARY 2011 SCAMNESTY
DON'T LET THEM CON YOU

Click here for more information

KNOW YOUR CONSUMER RIGHTS
CHECK OUT WWW.CONSUMERDIRECT.GOV.UK
08454 04 05 06

Find out more about your rights, and what to do if something's wrong

...or search for a specific issue: **GO**

Goods & Services
Making a purchase? Follow our straight-talking advice.

- Will - writing and executor services
- Search for a trusted trader
- Current accounts
- Cars
- Mobile phones
- Extended warranties

Your Rights
Is a company selling you short? Find out how the law protects you.

- Using a guarantee
- Bought something on credit?
- Returning or cancelling orders
- Dealing with disputes
- Unfair terms in contracts
- National e-consumer week - visit

Consumer Issues
Need some clear consumer info? Try these links.

- Video guide - buying a used car
- Doorstep selling
- Video guide - internet shopping
- Video guide - buying shoes and clothing
- Template letters
- Scams: watch out!

<http://www.youtube.com/watch?v=sHWeCJ32Dc8>
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Plenary: Consumer protection laws quiz



Weight and Measures Act

Trade Descriptions Act

Consumer Credit Act

Sale of Goods Act

Consumer Protection Act

Food and Safety Act

Pair of trouser made of wool, when they are actually made of cotton.

I purchase a car on credit but I dont get any documents telling me the how many installment to pay.

Raincoat was sold with a claim that it is 100% waterproof but it leaks the first time it is used.

Pack of biscuit claims to be 150gms but when actual weight is 100 gms.

Health officer finds that food is being cooked under unhygenic conditions in a resturant

I sue the retailer for selling me a faulty iron because of which I got nasty electric shock

<http://www.dineshbakshi.com/External-Environment/Interactive-quizzes/consumer-protection-laws-match-up-quiz.html>

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