Consumer Protection laws
Aims for today

• To appreciate the purpose of key consumer protection laws and be able to apply them to real business examples
Take a couple of minutes to think about the following:

1. **Think** of a product, which you have bought and it did not work, or broke very soon after your bought it.

2. What did you feel?

3. What did you do? Did you take it back to the shop? Did you keep it?

4. What was the seller's reaction when you went back to him/her with the product?
Task 1

1. Read the passage on your desk.

2. Suggest a course of action and explain the possible outcomes.

10 minutes
Tyler spent his birthday money on some new trainers. Two weeks later the sole starts to come away from the shoe. Also, when he read the label closely they were not genuine leather.

Heather’s new hairdryer started to overheat and when plugged in sparked giving her a slight shock.

Lauren took her car to be serviced at her local garage. A few days later it overheated and broke down.

Matt went out with his friends at the weekend and they ate at the new burger place in the mall. The following day he was very ill.
Tyler should take shoes back as they should last longer than 2 weeks. The label said they were leather and they were plastic.

Heather’s hairdryer was not in good working order so she should ask for her money back. It was also dangerous!

Lauren should complain to the garage as they have lied to her! That must be illegal!

Matt should be looking into some food safety laws here
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
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

- 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)

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) £3000

(*) Length of loan 36 months (3 years)

My monthly repayments

Typical APR: 14.9%

Monthly loan repayment: £102.49

Monthly loan repayment with PPI: £120.26 **

Total amount repayable: £3689.64

Total amount repayable (with PPI): £4329.36 ***

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

- Cheese and Tomato Quiche 400g
- Can of Coke Cola 330ml
- Coffee Mate 500g
- Fruit Tea Bags 40g

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

- 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
6. Consumer Protection (Distance Selling Regulations) 2000

- This covers items that are bought from:
  - The Internet
  - Digital Television
  - Mail Order
  - Telephone
  - Fax

- 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!
Task 2

- Match the consumer protection act with its definition.
- Complete the worksheet on Consumer Protection.
- Be prepared to share your answer!
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

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- Pair of trouser made of wool, when they are actually made of cotton.
- I purchase a car on credit but I don't 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 unhygienic conditions in a restaurant.
- I sue the retailer for selling me a faulty iron because of which I got nasty electric shock.

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