

Returns Policies: A Guide for Retailers

What does this guidance cover?

This guidance explains the law on retailers' returns policies. It includes details of the rules that apply to return policy notices in retail shops. The guidance does not apply to businesses that sell only to other businesses.

Do I have to accept returns?

Under the **Sale of Goods Act 1979**, a consumer may be entitled to a refund, replacement, repair and/or compensation where goods are faulty or not as described. They are also entitled to a refund and/or compensation where the seller had no legal right to sell the goods.

In other cases, for example, where the consumer has bought an item of clothing in the wrong size, or they have changed their mind, or an item is an unwanted gift, there is normally no automatic right to return goods. There are a few exceptions to this rule, including goods sold by mail order or over the Internet and some goods sold to a consumer during a visit to their home.

What can I say in my returns policy?

It can be difficult to draft a returns policy, which provides the consumer with useful information, which protects your interests and which also, meets the requirements of the law. For this reason, it is often said that 'the best notice is no notice', and you should not need to state a returns policy at all unless your policy is more generous to the consumer than the law.

Where you offer the consumer more than the law requires, you can impose conditions, for example:

- A requirement to produce the original till receipt.
- A requirement to return the goods unused and in unopened packaging.
- A deadline for returns.
- An offer to exchange or offer a credit note but not to refund.

You cannot impose these conditions where the customer has a legal right to return goods. So the following would be an acceptable returns policy:

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 legal rights, including your right to claim a refund, replacement, repair and/or compensation where the goods are faulty or misdescribed.

Can I limit my liability to a customer?

The consumer's legal rights cannot be taken away or restricted and any attempt by a trader to do so by reference to an exclusion clause or similar notice will be void and therefore unenforceable.

Under the **Consumer Protection from Unfair Trading Regulations 2008** it is also a criminal offence to mislead a consumer about his/her legal rights.

The following are examples of statements that are likely to mislead consumers about their rights:

"No refunds given".

"Goods can only be exchanged".

"Only credit notes will be given against faulty goods".

"Sold as seen".

Even the statement 'No refunds except where goods are faulty' would be illegal, as there are a number of cases where a consumer can claim a refund on non-faulty goods (e.g. misdescribed goods).

Can I disclaim the notice to make it correct?

It is a common misconception that statements such as those described above can be used if they are accompanied by a statement such as "Your statutory rights remain unaffected". However, where two contradictory statements are used together, they are still likely to mislead consumers about their rights and the notice is likely to be illegal.

Can I enhance customer rights?

Yes, you can give the consumer more rights than are required by law. You can do this on a notice, on business documents (e.g. a till receipt) or on the goods themselves.

Where you state anything about your returns policy or guarantee, you must also state that the consumer has statutory rights that are not affected by the policy or guarantee.

Consumer guarantees

The **Sale and Supply of Goods to Consumers Regulations 2002** set out rules which apply when you give a guarantee on goods without extra charge. Any such guarantee must include the following particulars:

- The name and address of the person giving the guarantee.
- The contents of the guarantee (i.e. what it covers, which countries it applies in, and what you will do when a claim is made).
- The duration of the guarantee.
- How to make a claim.
- A statement that the consumer has statutory rights that are not affected by the guarantee.

You cannot use the duration of a guarantee to limit consumers' rights. Consumers are entitled to expect goods to remain of satisfactory quality throughout their reasonable life expectancy, so long as they are maintained correctly and not misused.

If you offer a guarantee, consumers can require you to provide a copy in writing.

For further information and advice contact your local area Trading Standards Officer

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Email tradingstandards@argyll-bute.gov.uk

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