

Refunds notices and consumer rights

Trading Standards Information

www.southwark.gov.uk

1. Introduction

This leaflet explains why it is illegal for businesses to display signs, or print on receipts, a statement saying '**no refunds**' or similar wording.

2. Main legal controls – consumer rights

Everyone buying goods has 'statutory rights'. This means the law says that customers are entitled to a refund or to seek redress in certain cases. Therefore it is illegal to display signs, or print words on receipts, which could mislead your customers about their rights. Typical illegal statements, which must not be made include:

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

All of the above are illegal and must not be used. They mislead customers with a genuine complaint about goods purchased to the effect that they 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.

Continues/..

4. What if my customer wants a refund just because they changed their mind?

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

However, many larger businesses choose to adopt a goodwill policy of refunding in such circumstances. This can lead some customers to believe all traders are obliged to do so when they are not.

If you get into a dispute with a customer because you do not believe they are entitled to a refund then you can refer them to Citizens Advice on telephone number 0808 223 1133. This is the government-funded service offering free 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 ensure that your full businesses name and address details are printed on them along with the statement “please retain as proof of purchase”.

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

Goodwill Returns Policy

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

This policy does not affect your statutory rights regarding refunds, replacements or repairs 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 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.
(Ref:NRN/2023 1.1)

Refunds policy

We 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 may be given as a goodwill gesture at our discretion.

Please keep your receipt as proof of purchase

This policy does not affect any statutory rights under the Consumer Rights Act 2015

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 Consumer Rights Act 2015.
Please keep your receipt as proof of purchase.**