Junior Cert Business **The consumer**

A **Consumer** buys goods and services for their own use, rather than to sell on to others.

**A good consumer is:**

* An informed consumer
* Aware of laws and organisations that protect consumer rights
* Able to make complaints if the goods/services are unsatisfactory
* Keeps their receipts as this is the “proof of purchase”

A **Trader** is a person who buys goods/ services with a view to sell them on to others at a profit

**The informed Consumer**

* Keeps receipts (proof of purchase)
* knows what they want and chooses wisely
* They do not Impulse Buy
* They do not fall victim to “False Economies”
* They find out about price and quality prior to making a purchase
	+ They make enquiries of people who have used the goods/ services
	+ They visit various sellers to see what’s for sale

**A Receipt is written proof of payment for goods and services**. It is very important, especially when payment is by cash as there is no other written proof of payment.

A Receipt will show:

* The amount paid
* Who made the payment
* The date the receipt was issued
* A number for reference
* Signature of the person receiving the money

In some cases a price may be displayed on a product but the seller does not accept this to be the sale price of the goods and is simply inviting the consumer to make an offer to purchase the goods, this is called “**Invitation to Offer”**

**Reasons why consumers need protection:**

* Misleading advertisements
* Slick/ pushy sales methods
* Overcharging and incorrect weights
* Unsafe or low quality goods or services

**Brand Name: easily recognisable name that distinguishes one product from another (NIKE)**

**Logo:** the picture that is associated with a brand name ![C:\Users\Maeves\AppData\Local\Microsoft\Windows\Temporary Internet Files\Content.IE5\5ZP2QIZ1\MC900434665[1].wmf]()

**Consumer Law**

When you buy goods you enter into a **“Contract”, this is a legally binding agreement between two or more people.**

**The 3 vital elements of a contract are:**

* **Offer** (customer makes offer to buy goods)
* **Acceptance** (retailer accepts the offer and agrees to sell)
* **Consideration (**something of value passed from one person to the other)

**The consumer is protected by:**

1. **Consumer laws**
	1. The Sale of Goods and Supply of Services Act 1980
		1. Goods must be of merchantable quality
		2. Goods must be fit for the purpose intended
		3. Goods sold by description must be as described
		4. Goods sold by sample must match their sample
		5. Suppliers of services must be qualified and the materials they use must be of merchantable quality

*This act states that it is the seller who is responsible for putting things right if there is a problem*

* 1. The Consumer Information Act 1978
		1. This act forbids suppliers to give any misleading information about products price, quality or service
		2. It states that price lists showing prices of goods and services should clearly display where consumers can see them
1. **Organisations and institutions that protect the consumer**
	1. Enterprise Ireland
		1. State (government) organisation
		2. Sets standards for the safety and quality of goods/ services
		3. Carries out research into new products and issues reports
		4. Operates the National Standards Authority of Ireland (NSAI)
	2. Trade Associations
		1. Most suppliers of goods and services are members of organisations which lay down standards of conduct (behaviour) for their members. These associations have people called arbitrators who try to solve disputes between their members and customers
	3. Office of the Director of Consumer Affairs
		1. Enforces the consumer information act 1978
		2. Publishes booklets advising consumers about their rights
	4. Small Claims Court
		1. Deals with consumer complaints upto €1269.74
		2. Managed by a court registrar
		3. Handles claims speedily without the need for a solicitor for a fee of €9
		4. You must try to settle your dispute with the seller first before you can use the small claims court
	5. Consumer Association of Ireland
		1. Voluntary body that gives advice to consumers
		2. Carries out surveys and publishes the findings in its magazine “Consumer Choice”
	6. Office of the Ombudsman
		1. Investigates complaints made by consumers about “*state organisations (eg Government departments)”*
		2. You must try solve the dispute with the state organisation yourself before seeking help from the ombudsman
		3. *Ombudsman for Credit Institutions:* deals with complaints against banks/ building societies etc
		4. *Insurance Ombudsman of Ireland:* deals with complaints about insurance companies

**A Guarantee or a Warranty** is a written undertaking that the manufacturer, or somebody appointed by the manufacturer, will repair or replace the item within a stated period of time after the purchase date.

**Food labels** must be**:**

* Clear and legible in a language that is easily understood
* Show the name of the food and the ingredients in descending order
* Show the unit price per litre/ kilo and the actual selling price
* Show the use by sell by or the best before date
* They may include a bar code (a series of lines on goods that allow computers to identify products)
	+ Bar codes are used at point of sale to identify the product and the price of the product, thus giving the customer a detailed receipt as well as speeding up their shopping
	+ Bar codes are used to assist retailers in stocktaking as they allow computers to record the quantity of an item that has been purchased out of stock.

**How to work out the unit price:**

40 page copy= 60cent (60/40= 1.5 cent per page)

60 page copy= €1.00 (100/60= 1.7 cent per page)

**Making a complaint**

*Reasons for consumer complaints…*

* False claims about products/ services
* Misleading information given by seller
* Faulty goods/ services
* Goods delivered were not as ordered
* Overcharging/ incorrect weights

**Redress available to consumers:**

* Refund
* Repair
* Replacement
* Credit note
	+ In credit transactions this is given by the seller to the buyer to show the amount owed by the customer/ paid has been reduced
	+ In cash transactions this is a note which allows the buyer to purchase something in the sellers shop for the amount of the credit note, credit notes are usually valid for six months

**Letter writing (writing a letter of complaint)** Nine point plan of letter writing:

1. Name/ address of sender
2. Date
3. Name/ address of recipient
4. Salutation
5. Introduction
6. Main body
7. Follow up
8. Closing
9. Signature and date

Ramsgrange

New Ross

Co Wexford

16/11/2013

Woodies DIY

North Main Street

Wexford

Re: letter of complaint about faulty barbeque

Dear sir/ madam,

On 11/11/2013 I purchased an “Outback barbeque” in your store, please find a copy of the receipt attached. I wish to make a complaint about this item.

On the day of purchase I was assembling the barbeque when I noticed that there was a crack in the lid of the barbeque, I immediately called the store to make a complaint. The manager on duty told me that this was not Woodies problem and that I would have to contact the manufacturer “Outback Barbeques”. I told the manager that I was unhappy with this response but he hung up the phone on me.

I am writing to inform you that my contract was not with “Outback Barbeques” it was in fact with Woodies and under the “Sale of Goods and Supply of Services Act 1980” this item was not fit for the purpose intended nor was it of merchantable quality. I demand a full refund or replacement for this faulty product as soon as possible or I will be required to take the matter further.

I look forward to a positive response,

Yours faithfully,

Anna Reilly