

# Consumer Wise

## Chapters 8 & 9

■ A Consumer is a person who buys goods or services for his or her own private use.  
**eg.:** food, clothes, furniture, cars, cd's, etc.

■ A Good Consumer is one:

1. Who knows what they want
2. Who doesn't impulse buy
3. Who is aware of their rights
4. Who is aware of the laws and agencies that can assist them
5. Who makes a complaint if goods and services are unsatisfactory

■ A Good Consumer

1. Will be well informed
2. Will shop around
3. Can afford a good
4. Needs the good

A Trader is a person who buys goods or services for the purpose of re-selling them.

■ A Food Label shows:

1. The name of the food
2. The ingredients in descending order
3. The unit price per litre/kilo
4. The actual price
5. The sell-by date

6. Food labels must be clear, legible and in a language that the consumer can understand

■ Food Labels may include other information such as:

1. The Q mark
2. An illustration of the food
3. Symbols for quality standards

### A bar code

- ◆ A Bar Code is a series of vertical lines with numbers at the bottom of these lines
- ◆ Bar codes can be scanned at check outs and read by special scanners or computers.
- ◆ When a barcode is passed through a laser scanner 2 things automatically happen
- ◆ The price is recorded in the cash register
- ◆ The stock records of that product fall by one.

■ The Advantages of Bar Codes are:

1. Faster at checkouts
2. Mistakes are less likely
3. Stock records can be up-dated after each sale
4. The price of an item can be changed on the computer so there is no need to re-price each item.

■ A Receipt is written proof of payment for goods and services

■ The Q Mark can only be used on products that have reached a certain high standard - operated by the Irish Quality Control Association.

■ Impulse Buying means spending money without planning in advance

■ False Economies occur when people buy goods they do not need because the goods are cheaper than usual.

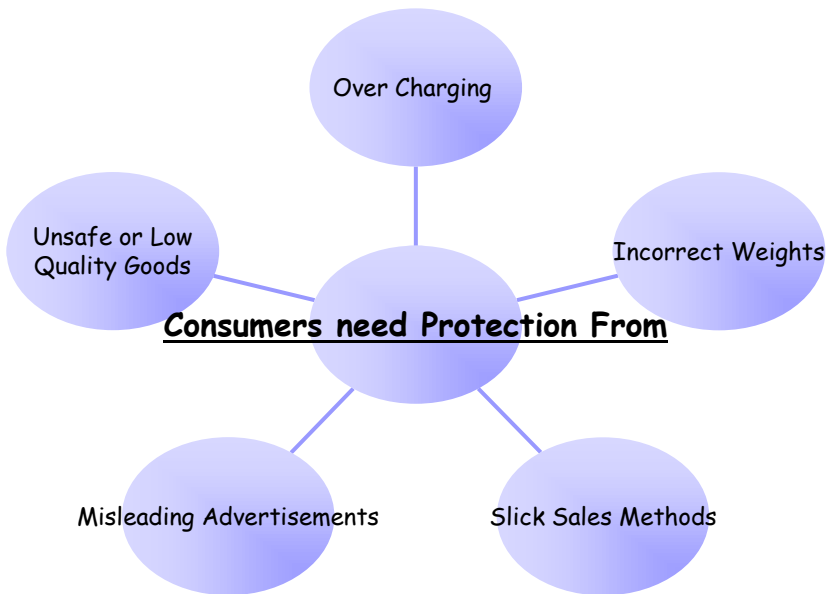
eg.: 1 box = €3; 2 boxes = €5.80

■ Deposits can vary between 10 - 15%

■ It is part of the purchase price being paid by the buyer and in return the seller will agree to hold the good for the buyer for a specified period of time.

■ If the buyer fails to show with the balance of the money, the seller can

- i. keep the deposit and
- ii. sell the good to someone else



■ Consumers need protection from

1. Low quality or unsafe goods and services

eg.: badly wired electrical goods

2. Overcharging and Incorrect weights

eg.: Telephone bills and faulty scales

3. Misleading Advertisements

eg.: Hotel is 5 minutes from the beach, but is it 5 minutes by foot or by car

4. Slick Sales Methods

eg.: Special offers, Chances of a life time, etc

**Caveat Emptor** means Let the Buyer Beware.

Consumers are protected by

1. Consumer Laws
2. Organisations and institutions

■ **The Law of Contract** gives the consumer legal protection every time they buy something.

■ The main laws that protect a consumer are:

1. The Sale of Goods and Services Act 1980
2. Consumer Information Act 1978

**Sale of Goods and Services Act 1980**

■ When goods and services are bought by a consumer from a seller, a contract is made.

- This contract states that in return for the consumer paying for the goods and services, the seller agrees to supply goods or services that meet the following conditions

- Goods must be of

1. Merchantable Quality
2. Fit for their Purpose
3. As Described

- Suppliers of Services must be qualified

- **The Seller is responsible for putting things right if there are problems**

1. Merchantable Quality

- Goods should be of good quality for the price paid

**eg.:** Wellingtons shouldn't let in water

2. Fit for their purpose

- Perform their normal task

**eg.:** wood glue should stick glue

3. As Described

- Goods should match the description if they are sold by description in an ad.

**eg.:** Shoes advertised as leather shouldn't be plastic

4. Correspond to Sample

- If bought by sample goods should correspond to the sample

**eg.:** wall paper

- Suppliers of services must be qualified

**eg.:** a painter should be able to paint

- They should use replacement parts and materials that are of merchantable (good) quality

**eg.:** pipes for a washing Machine

- **The Consumer Information Act** was passed to protect consumers from false and misleading claims made about

1. Goods
2. Services
3. Prices

- Supplier of the goods and services for ensuring that all

1. Descriptions
2. Claims
3. & Advertisements etc. about the good/service are true

■ **The Director of Consumer Affairs**

1. Enforces the Consumer Information Act 1978.  
i.e. prosecutes offenders for false/misleading claims
2. Promotes high standards in advertising
3. Advises consumers on their rights
4. Advises the Government on consumer matters

■ **Enterprise Ireland** operates the National Standards Authority of Ireland (NSAI).

■ **National Standards Authority of Ireland (NSAI)** is a state organisation that

1. Sets standards for safety and quality of goods and services
2. Carries out research
3. Issues reports

■ **Trade Associations** lay down standards of conduct for their members who are suppliers of goods and services.

■ They have arbitrators/referees who settle disputes between customers and its members

**example:**

1. ITAA - Irish Travel Agents Association
2. SIMI - Society of the Irish Motor Industry
3. RECI - Registered Electrical Contractors of Ireland

■ **Small Claims Court** is a special court procedure for claims of up to €1,269.74

■ **CAI Consumer Association of Ireland** is a voluntary body which advises its members about goods and services and laws affecting consumers

■ **An Ombudsman** investigates claims made by the public against state organisations

■ **The Ombudsman for Credit Institutions** deals with complaints made against banks and building societies.

■ **Insurance Ombudsman of Ireland** deals with complaints made against insurance companies for over-charging and compensation pay-outs

■ **A Contract** is a legally binding agreement between the seller and consumer that states that in return for payment, the good or service must be of a certain standard

■ **A Credit Note** is a document sent by the seller to the consumer stating that the amount owing has been reduced