



Consumer Wise

Chapters 8 & 9



Consumer Wise



- 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.



Consumer Wise

- 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



Consumer Wise

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

Consumer Wise

- 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



The image shows two nutrition labels for burgers. The left label is for a 'Smash Burger' and the right is for a 'Classic Burger'. Both labels are for a 'Per 1 Burger (100g)' serving size. The labels are presented in a table format with columns for the nutrient name, the amount, and the percentage of daily value. The 'Smash Burger' label has a 'Nutrition Facts' header and a 'Per 1 Burger (100g)' serving size. The 'Classic Burger' label also has a 'Nutrition Facts' header and a 'Per 1 Burger (100g)' serving size. Both labels list the following nutrients: Amount, Calories, Fat, Saturated Fat, Trans Fat, Cholesterol, Sodium, Carbohydrate, Fiber, Sugar, Protein, Vitamin A, Vitamin C, Calcium, and Iron. The 'Smash Burger' label shows 44% for Fat, 10% for Saturated Fat, 10% for Trans Fat, 10% for Cholesterol, 10% for Sodium, 10% for Carbohydrate, 10% for Fiber, 10% for Sugar, 10% for Protein, 10% for Vitamin A, 10% for Vitamin C, 10% for Calcium, and 10% for Iron. The 'Classic Burger' label shows 10% for Fat, 10% for Saturated Fat, 10% for Trans Fat, 10% for Cholesterol, 10% for Sodium, 10% for Carbohydrate, 10% for Fiber, 10% for Sugar, 10% for Protein, 10% for Vitamin A, 10% for Vitamin C, 10% for Calcium, and 10% for Iron.

Smash Burger		Classic Burger	
Nutrition Facts		Nutrition Facts	
Per 1 Burger (100g)		Per 1 Burger (100g)	
Amount	100g	Amount	100g
Calories	200	Calories	200
Fat 10g	44%	Fat 10g	10%
Saturated Fat 10g	10%	Saturated Fat 10g	10%
Trans Fat 10g	10%	Trans Fat 10g	10%
Cholesterol 10mg	10%	Cholesterol 10mg	10%
Sodium 100mg	10%	Sodium 100mg	10%
Carbohydrate 10g	10%	Carbohydrate 10g	10%
Fiber 10g	10%	Fiber 10g	10%
Sugar 10g	10%	Sugar 10g	10%
Protein 10g	10%	Protein 10g	10%
Vitamin A 10%	10%	Vitamin A 10%	10%
Vitamin C 10%	10%	Vitamin C 10%	10%
Calcium 10%	10%	Calcium 10%	10%
Iron 10%	10%	Iron 10%	10%

Consumer Wise

- Food Labels may include other information such as:

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





Consumer Wise

- 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.

Consumer Wise – Bar Codes

- 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.



Consumer Wise



- 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.



Consumer Wise

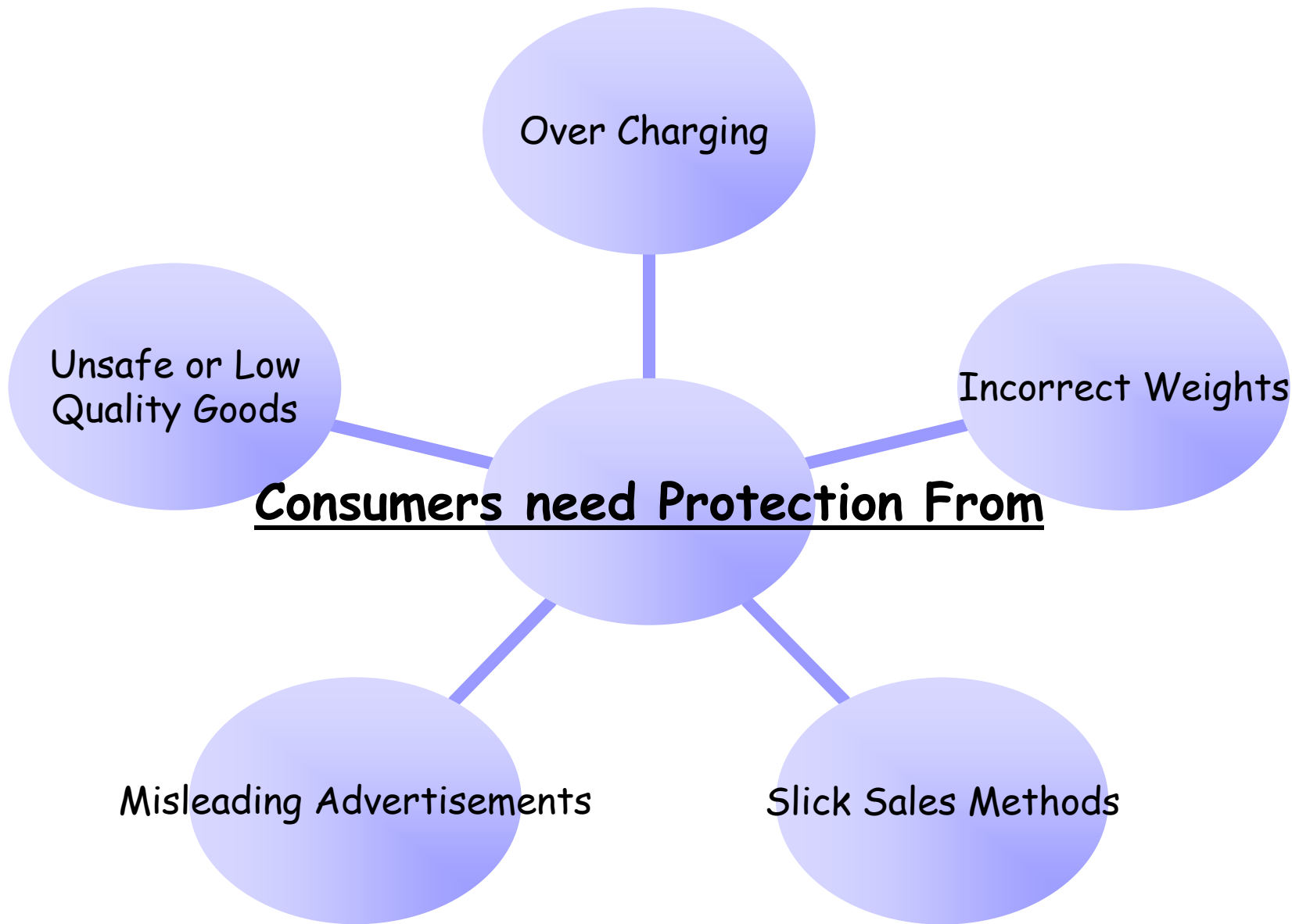
- Impulse Buying means spending money without planning in advance
- False Economies occur when people buy goods they do not need because the goods are cheaper than usual.

eg.: 1 box = €3; 2 boxes = €5.80

Consumer Wise

- 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





Over Charging


Incorrect Weights

Unsafe or Low
Quality Goods

Consumers need Protection From


Slick Sales Methods

Misleading Advertisements



Consumer Wise - Consumer Protection

- 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



Consumer Wise - Consumer Protection

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



Consumer Wise

- Caveat Emptor means Let the Buyer Beware.
- Consumers are protected by
 1. Consumer Laws
 2. Organisations and institutions

Consumer Wise


- 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



Consumer Wise

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



Consumer Wise - Sale of Goods & Services Act

- Goods must be of
 1. Merchantable Quality
 2. Fit for their Purpose
 3. As Described
 4. Correspond to sample
 5. Suppliers of Services must be qualified
- **The Seller is responsible for putting things right if there are problems**

Consumer Wise - Sale of Goods & Services Act

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



Consumer Wise - Sale of Goods & Services Act

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




Consumer Wise - Sale of Goods & Services Act

5. 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




Consumer Wise

- The Consumer Information Act was passed to protect consumers from false and misleading claims made about
 1. Goods
 2. Services
 3. Prices




Consumer Wise - The Consumer Information Act

- The Law places the responsibility on the supplier of the goods and services for ensuring that all
 1. Descriptions
 2. Claims
 3. & Advertisements etc. about the good/service are true



Consumer Wise - Consumer Information Act


- **Illegal Advertisements:**
 - ☐ No Money Refund
 - ☐ If Unhappy contact Manufacturer
 - ☐ Goods Cannot be Exchanged
 - ☐ No refunds during sale
 - ☐ Goods will be exchanged for credit notes only



Consumer Wise - Consumer Information Act

■ Legal Signs

- ❑ Shop soiled goods
- ❑ Goods will not be exchanged during sale; this does not effect your statutory rights (goods will be exchanged if they are faulty but not because you do not like them.
- ❑ Demo Model



Consumer Wise - Consumer Information Act

- A Sign stating something (a suit) was reduced from €500 to €250 is only legal if the suit was priced at €500 for 28 consecutive days over the past 3 months
- No hidden charges should be included in an advertisement.
- If an offer is for a limited period, the offer should state that

Consumer Wise

- 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. Advices consumers on their rights
 4. Advises the Government on consumer matters



Consumer Wise



- 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

RECI

Consumer Wise



- 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



Consumer Wise



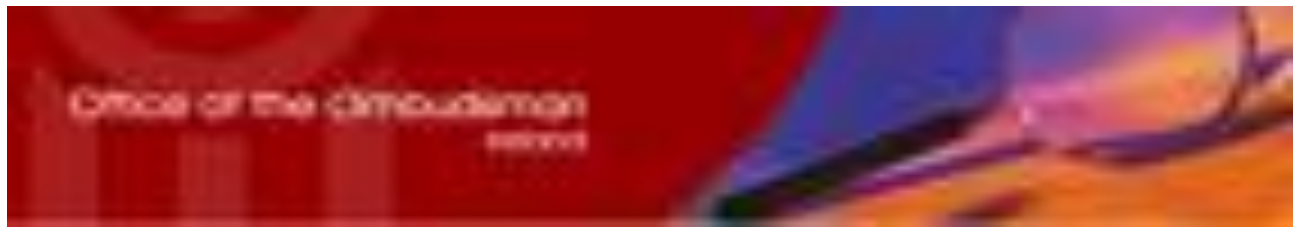
- Small Claims Court is a special court procedure for claims of up to €1,269.74
- CAI Consumer Association of Ireland is a voluntary body which advises its members about goods and services and laws affecting consumers





Consumer Wise

- 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



Office of the Ombudsman
reland



Finnish Ombudsman
Shirley A. Jones



Financial Services
Ombudsman

Consumer Wise



- 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

Consumer Wise

- Why do Consumers Complain?
 1. False claims about goods and services
 2. Misleading information given by the seller
 3. Faulty goods and services
 4. Goods not delivered as ordered
 5. Overcharging and incorrect weights

Consumer Wise

■ Consumer Complaints

1. Goods not of merchantable quality

eg.: shoes fall apart after 2 weeks

2. Goods not fit for their purpose

eg.: glue fails to stick a handle onto a jug

3. Goods not as described

eg.: a box that says black shirts, but which contains white shirts

Consumer Wise

4. Supplier of services not being qualified
eg.: a car beaks down after being mended
5. Information being misleading
eg.: hotel is advertised as 5 minutes from beech when its really 30 minutes
6. A claim that there is 24 hour service but the place closes for an hour for lunch
7. If the garage owner says there's 50,000 miles on the clock when there's really 150,000.

Consumer Wise

■ Seeking Redress

1. Identify complaint and locate proof of purchase
2. Contact seller and discuss problem
3. If dissatisfied put complaint in writing and enclose a copy of receipt
4. If dissatisfied contact a sellers trade association
5. If unhappy contact ombudsman/media
6. Bring seller to court
7. Receive compensation