



Using consumer laws

Purpose

This section develops the students' understanding of the key features of two consumer laws. This gives students the knowledge (for use now and in the future) that when they have a consumer problem they have the legal right to get the problem solved by seeking a suitable remedy (or solution to the problem).

The activity is not designed to make students familiar with the names or legal content of each law, but to develop the concept that there are consumer laws that offer consumers and businesses protection.

Learning intention for students

We will:

- recognise that there are laws to protect the consumer and explore situations when these laws apply.

How will we know we have done these things?

We will be able to:

- describe at least three scenarios and explain what rights the consumer has in those situations
- explain why we need consumer laws and describe what would happen if there were no consumer laws.

Background information

The main ideas explored in Section 3 are:

- Consumers have rights that are protected under New Zealand consumer law.
- Consumers can expect that the information provided with goods and services is accurate.
- Businesses can be prosecuted if they break the Fair Trading Act by making false or misleading statements (eg, in advertising) about their goods or services (Fair Trading Act).
- Consumers have the right to a guarantee that goods they purchase will be of an acceptable standard (Consumer Guarantees Act).
- Consumer law provides a remedy for consumers when goods and services are not of acceptable standard (quality, safety, durability).
- Consumer law does not require businesses to be responsible for providing a remedy where consumers have abused or misused goods leading to their failure to be of acceptable quality.



SECTION 3: WHAT DOES THE LAW SAY?

ACTIVITY 1: USING CONSUMER LAWS ABOUT GOODS AND SERVICES

Education

ACE Consumer



Using consumer laws about goods and services

Preparation Checklist

Photocopy enough copies of the scenario and information sheets **What does the law say?** so the class can work in groups.

Activity

- a) Divide the class into groups and give each group a copy of the **What does the law say?** scenario and information sheets. Either give each student an information sheet or have them cut one information sheet into squares and distribute the information squares among the group.
- b) Ask the students to complete the activity by having:
 - one student read out loud the first scenario
 - all the group look at their information squares/sheets and when a student thinks they have found information that fits the scenario, they read the information to the group
 - the group discusses the scenario and the information and completes the chart for that scenario
 - the group moves onto the next scenario and repeat steps 1-4 and work through all the scenarios in this way.
- c) When the group has finished the scenario sheet have them share any experiences when they or their family had problems with goods or services and develop a 'challenge scenario' for another group to answer.
- d) Combine two groups and ask them to compare and discuss their scenario sheet answers and share and answer their 'challenge scenarios'.





Reflection and evaluation

Section 3

To summarise this learning have the students review what they have done to date and answer these questions.

Why do we need to have laws that protect consumers and businesses?

What would happen if there were no laws to protect consumers and businesses?





What does the law say?

Scenario **Does the consumer have the right to redress? (Yes or No)** **Why or why not? Where possible state the law that applies.**

Joe buys a remote controlled car for his younger brother. They are playing with it on the table when it crashes to the floor, damaging the car so that it won't work anymore.	No	<i>If the car is broken by the people who bought it, the seller does not have to fix it or replace it ... (Consumer Guarantees Act)</i>
Joe's remote controlled car suddenly stops working one week after it was purchased.		
Aroha buys a new T-shirt but when she gets it home she sees the stitching is coming undone around the shoulder.		
Aroha gets a new T-shirt home and decides she does not like the colour.		
Aroha's friend buys the same T-shirt down the road \$6.00 cheaper. Aroha now wants to return the expensive T-shirt she bought so she can buy a cheaper one from the shop down the road.		
A retailer advertises a storewide sale in the local newspaper. Rowan knows that a bag in the store was \$27.00 last week, but the price tag reads "Was \$30 now \$25.00".		
Chris buys a container of coleslaw for the family. When he gets home he finds it is only half full, so he takes the coleslaw out of the container and weighs it. He finds that the weight of the coleslaw is significantly less than the weight printed on the container.		
Peter is helping his Dad repaint their bathroom at home. They ask for suitable paint at their hardware store and are told which one to buy. After they paint the bathroom they discover the paint was not suitable for rooms which can get damp.		
Sunita sees in a sales brochure that a shoe shop is selling all shoes at sale price, but when she gets there the shoes she wants are still the same price as last week.		
Kim tells the hairdresser she wants to have her hair straightened. The hairdresser tells Kim she can do it and that she will look great. When the hairdresser is finished her hair is frizzy.		
Tina has been given a new skateboard. She was using it at the skateboard park and had a go at the halfpipe. When she picked it up a bolt fell off.		





What does the law say?

Would you pay \$150 or \$15 for a T-shirt?

Businesses can choose the prices for the goods or services they are selling. The consumer decides whether or not they will buy the goods or services at that price.

consumer choice

What if I've changed my mind?

If you buy goods but decide you don't like them once you get home, the shop does NOT have to take them back. However, some shops will let you take them back and will give you a refund or a credit note. They may do this for a range of reasons – eg, for an advantage over other businesses, to build customer loyalty or to encourage you to return to buy at that store.

consumer responsibility

Are sale goods really cheaper?

If a shop says it is having a sale, the sale price of the goods must be less than the original price.

The shop can't mislead consumers about the price the 'reduced' goods were before the sale – eg, sell the goods for \$20.00 before the sale and then in the sale say the goods were '\$25.00 reduced to \$15.00'.

Fair Trading Act

Can I use it for this?

(Fit for a particular purpose)
You need a watch that is waterproof. You are told by the sales assistant that a watch will be suitable for diving, but on the first dive water gets into the mechanism and it stops working.

If a sales assistant, product information or advertising material tells you goods are fit for a particular purpose you need them for, the goods must be fit for that purpose.

Consumer Guarantees Act

Is it safe?

Goods that are sold must be safe (when the consumer uses them properly). Sometimes businesses find that goods they sold are not safe and they ask customers to return the goods so the business can fix them or give the customer their money back.

Consumer Guarantees Act (goods must be of an acceptable quality)
Fair Trading Act (product safety standards are to prevent or reduce the risk of injury)

Is that weight correct?

If you buy goods by weight or liquid measure, you are entitled to get what you pay for. You can check that they are correct by weighing or measuring them. If they are not correct, the shop should sort the problem out.

Consumer Guarantees Act (goods must match the description)
Fair Trading Act (prohibits misleading and deceptive conduct)
Weights and Measures Act

What if I damage the goods?

If you damage the goods, it is your responsibility. The business has no responsibility to fix the problem.

consumer responsibility

What if I don't follow the instructions?

You are responsible if you damage the goods or they become unsafe as a result of your actions. The business has no responsibility to fix the problem.

consumer responsibility

What if the goods don't work or are faulty?

Goods that are sold by a trader must be of acceptable quality.

Acceptable quality includes goods being fit for normal purpose (use), safe, durable (able to last), and free of minor defects.

Consumer Guarantees Act

