

WHO IS REALLY RESPONSIBLE FOR FAULTY GOODS OR SERVICES?

When you buy any goods or services, you have a number of ways by which you can pay eg cash, credit card or through a finance agreement.

However, who is responsible to you in law if something goes wrong may vary, depending upon the type of finance agreement involved. Before reading these notes, get hold of your agreement and follow through the flowchart on the back page. This will help you to identify the type of facility that you have entered into.



CASH OR CHEQUE?

Here, the contract for the goods is solely between you and the trader. Any claim you make will be against the person or business you dealt with. (NB: not the manufacturer).

BANK LOAN OR OTHER LOAN FACILITY?

This is the same as buying with cash or cheque. Although the bank or other lender has supplied you with the money, for which you make monthly repayments, they have no connection with the supplier you use. (NB: it is slightly different for timeshare and further advice on this specific matter should be sought).

HIRE PURCHASE AGREEMENT OR CONDITIONAL SALE AGREEMENT?

This is likely to be the most complicated to understand. Although you may walk, for instance, into a car showroom to order your second-hand car and to collect it, the person you are actually dealing with is the finance company (who has provided you with the credit facility).

This is because under a hire purchase or conditional sale agreement, the vehicle/goods belong to them until you have made the final payment under the terms of the agreement.

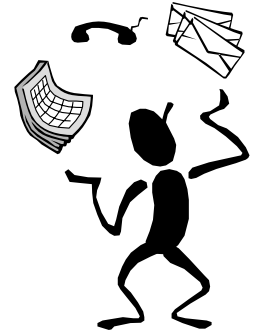
In effect, they own the car/goods and are allowing you to use them. So, should things go wrong, any claims you make would be purely against the finance company.

In practical terms, they may refer you back to the retailer where you collected the goods from to carry out repairs, however they are legally responsible and you must make contact with them to remind them of this fact.

If you do have difficulties - under no circumstances should you just stop paying, as the company may be allowed to come and take the goods back. It is always best to seek advice on what steps to take next.

CONNECTED LENDER LOANS

This is one of the most common forms of credit agreement you may enter into. Usually for items such as large pieces of furniture, electrical goods or home improvements. The credit will have been arranged for you by the retailer/supplier.



With these type of agreements, providing the contract price of the goods and/or services is over £100, both the retailer and the finance company are jointly liable for any difficulties that you may have.

This means that for any breach of contract, you can claim compensation from either the retailer, or the finance company or both. Although we would advise you to approach the retailer first.

This can definitely be of benefit if the retailer has ceased trading, as you may still seek redress from the finance company.

CREDIT CARD?

These are not to be confused with debit cards such as 'Switch', or other cards where you have to clear your account in full at the end of the month.

A credit card is where you have a 'credit limit' - an amount by which you are authorised to spend up to - then make minimum monthly repayments back to the credit card company.

Like a connected lender loan, if the contract price is over £100 then you can claim against either the retailer, credit card company, or both.

This is obviously of benefit if you use your credit card to purchase goods abroad whilst on holiday, which turn out to be faulty when arriving home in the UK. It will be simpler to pursue the credit card company for redress rather than try to deal with a foreign business.

Please note that responsibility will not be placed on the credit card company if you have obtained cash using your card, from a cash machine, and then purchased goods with the money.

HIRE OR RENTAL AGREEMENTS

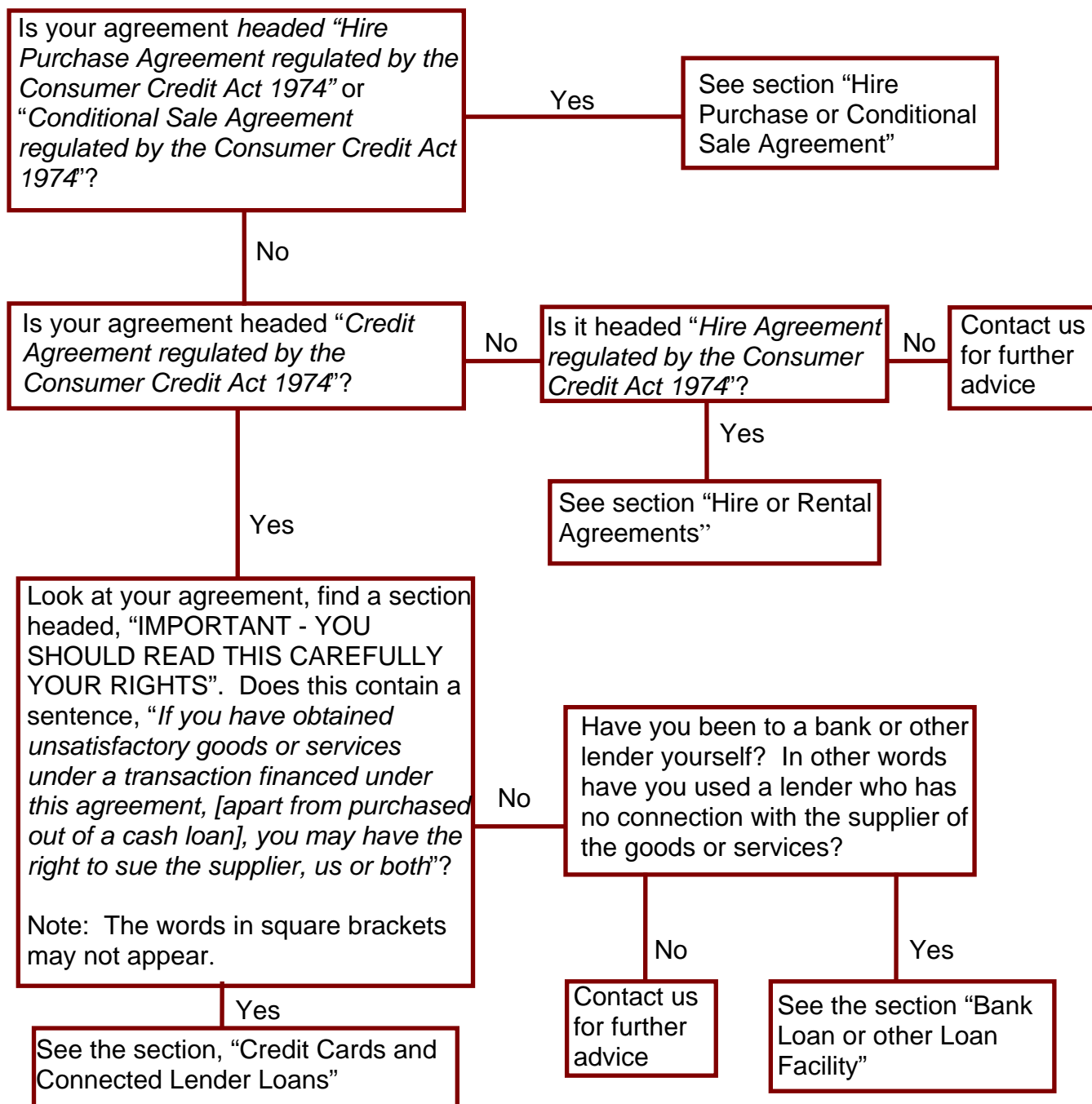
With these agreements, typically for televisions or other domestic appliances, you are renting the goods from whoever you are making the payments to. Therefore because you are paying for use of the goods on an ongoing basis, you should return to them if anything goes wrong.

ANY OTHER TYPE OF FACILITY

It is not possible to cover every type of facility that is available on the market place. So if your agreement does not fall within one of the headings mentioned above, please contact us for further advice. We may need to ask you to send a copy of the agreement to us before we can advise you fully.

IDENTIFICATION OF AGREEMENTS

This flowchart is intended to help you identify the type of credit or hire agreement that you have signed and whether or not the finance company has any responsibility for problems with any goods or services that you have been supplied.



Trading Standards Website: www.tradingstandards.gov.uk/kent

For further consumer advice please call Consumer Direct on the local rate number given below

08454 04 05 06

