



Office of Fair Trading



Fair Trading Facts

Refunds and lay-bys

Will you get a refund or a refusal?

Some consumers think they can demand a refund simply if they change their mind about their purchase. Most times this is not true and consumers may become disappointed or angry because they do not know their refund rights.

What are my rights?

You are entitled to return goods and ask for a refund, exchange or repair if the goods you purchased:

- have a fault that you could not have known about at the time of purchase;
- are not the same as the description provided by the salesperson or advertisement;
- do not match the sample you were shown at the time of purchase; and/or
- do not do the job as you were led to believe.

You are *not* entitled to a refund if:

- you simply change your mind or no longer want the goods;
- you realise you can't afford the goods;
- you found the same item at a cheaper price elsewhere;
- you chose the wrong size or colour;
- you knew about the particular fault prior to purchase; and/or
- you were responsible for causing the fault.

Some stores will refund an item whatever the reason as a gesture of goodwill, even though consumers may not be legally entitled to a refund. Other stores will give refunds only if they are legally obliged to do so.

It pays to ask about store policies before buying goods.

Don't believe everything you read

Signs that state 'No refund' or 'No refund on sale items' are illegal. If you buy a faulty product and you did not know about the fault at the time of purchase, you can usually return it to the store and expect a repair, replacement or a refund. If you do not want a replacement or repair, you can insist on a full refund.

Remember: you cannot ask for a cash refund if you did not pay cash.

How to obtain your refund:

- Be sure you didn't cause the fault;
- Stop using the goods;
- Return the goods to the store as soon as possible;
- Take proof of purchase with you – for example a receipt or credit card slip;
- If necessary, ask to speak to the store manager and politely explain the problem;
- If a refund is refused, ask for a clear explanation for the refusal;
- If you cannot talk to someone in authority, write a letter instead; and
- If you are unable to resolve the matter yourself, contact your local Office of Fair Trading for advice.

You are more likely to sort out the problem if you stay calm. Be prepared to negotiate.

When writing complaint letters:

- Describe the item or service;
- Say where and when you bought the item or when the service was done, and how much it cost;
- Explain what is wrong, any action you have already taken, to whom you spoke and what happened;
- Say what you want done to remedy the situation – for example, a refund or repair, or the job done again without charge;
- Set a deadline for when you want the matter resolved;
- Consider using registered mail so you can be sure your letter was received; and
- Keep copies of any letters you send. Do not send original documents, such as receipts and guarantees – send photocopies instead.

Follow up with a reminder letter if you don't get a reply the first time.

Before buying

When shopping, think carefully about the item and what you want it to do.

Shop around and look for the best deal by comparing the quality and price.

Ask for advice from experts, family and friends.

Ask businesses about their refund policies.

Inspect the goods carefully, checking there are no dents, rips, frayed edges or loose parts.

Keep proof of purchase in case something goes wrong.

Lay-bys

Lay-bys are handy alternatives to using credit cards and many stores allow customers to lay-by goods.

A lay-by sale is an agreement between a customer and a business for the purchase of goods at a fixed price to be paid over a certain period of time.

Lay-bys generally have no credit charges, but sometimes there may be an administration fee.

When you take out a lay-by, you are entering into a contract that requires you to abide by certain conditions set by the trader.

Because there are no lay-by laws in Queensland, it is common to find conditions differ from store to store.

It is a good idea to get the terms and conditions in writing from the business before you lay-by the item.

By entering into the lay-by, the business agrees to keep the price the same until the item is fully paid, and the consumer agrees to make regular payments.

The written lay-by agreement

The lay-by agreement with the business should include:

- A description of the goods;
- The total price of the goods;
- Deposit paid;
- Time intervals for payment (every week, or every second week);
- Maximum length of the lay-by; and
- Cancellation process or charges.

Breaking your lay-by agreement

If you break the contract, you may lose money already paid on the lay-by, as well as the goods.

If the business breaks the lay-by agreement, you are at least entitled to get your money back.

The retailer can only cancel a lay-by if you don't honour your lay-by agreement by missing payments.

For more information

Visit the Office of Fair Trading website www.fairtrading.qld.gov.au or call 13 13 04.

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