

CONSUMER RIGHTS AND RESPONSIBILITIES LECTURE NOTES

In 1962 President Kennedy presented four basic consumer rights in a message to Congress. These four basic rights have been a basis for government action and legislation aimed at protecting consumer interests. Along with each right, the consumer has a certain responsibility to act within the bounds of that right.

The first right is the right to safety. When a consumer buys a product or service, he/she has the right to know that the product or service is not dangerous. The two government agencies that set and enforce safety standards are the FDA and the CPSC (refer to vocabulary words for additional information).

For their own protection, consumers have the responsibility of using, caring for, storing, and disposing of products safely. It is the consumer's responsibility to read carefully all information booklets and labels that are included with a product, and then to follow the manufacturer's directions and advice while using the product. For example: Corey Careless bought a new combination TV/VCR for his bedroom. Since Corey is pretty knowledgeable about electronic equipment and has known how to operate a TV and a VCR since he was three, he had no time to waste reading the silly operation manual. He quickly hooked the machine up and turned it on. The TV set did nothing. Since Corey had not bothered reading the instruction manual, he was not aware of the AC/DC switch on this model. None of his previous televisions had this feature. Corey decided to open up the back of the TV and have a look at it. Perhaps he could see what was wrong. Corey opened the back and began playing with some wires. Suddenly Corey was jolted by an electrical shock that knocked him back against the wall. Corey was hurt, but glad to be alive. As he replaced the back cover of the TV, he noticed the warning sign, "Caution: To prevent electric shock, do not remove back."

How could Corey have prevented this problem from occurring?

Is the company liable for producing a product that is unsafe?

The second consumer right is the right to be informed. Consumers have the right to be protected against false and misleading information about goods and services. In order to make a wise purchase, consumers need accurate information. Consumers can get their information from advertising, from product use and care booklets or accompanying information brochures, from product labels, or from articles in newspapers or magazines. Most often, the consumer will rely on advertising to provide information. However, advertising is not the most reliable source of accurate information. Our government has established laws to prohibit advertisers from giving false information and misleading the public; however, be aware that the process of legally preventing a business from misleading the public is a very lengthy process that is usually tied up in court for many years.

Much of the responsibility here falls on the consumer. It is up to the consumer to seek information and use it to make wise decisions. Consumers need to understand that a claim that sounds too good to be true, probably is. Also, to remember that nothing is free; somehow it will be paid for, by you, the consumer.

For example: Marjorie has a job and works as many hours as possible, but just can not quite seem to make enough money to purchase everything she wants. A couple of months ago a photography company called on the phone and offered to take her senior pictures for less than

half the price of the company that all of her friends were using. In addition, this packet of pictures offered many more pictures than her friends would be getting, and they even threw in a free locket. Marjorie paid the company and had her pictures taken. When Marjorie picked up the pictures, she found that they were printed on low quality paper, the color was very bad and she was upset to find that the settings were horrible. Even the free locket turned out to be a flimsy imitation, probably purchased out of a gum ball machine.

**What could Marjorie have done differently to avoid this situation?
Do you think this company could be sued for false advertising?**

The third consumer right formulated by President Kennedy is the right to choose.

Consumers have the right to be exposed to a variety of goods and services at competitive prices. In order to insure that consumers have a wide selection of products or services to choose from, laws have been enacted which prohibit monopolies from forming. A monopoly occurs when a product or service is available through only one company. Under those circumstances, the company has no incentive to lower prices or to improve the quality of their product or service. This is generally a bad situation for the consumer who is ultimately at the mercy of the supplier and is forced to buy on that supplier's terms.

Along with this right, the consumer has the responsibility to choose goods and services carefully. Consumers should shop around and give their business to the stores that are willing to provide the best quality at the lowest price. It is also important for consumers to support reputable businesses. In that way, an establishment with bad business tactics would be forced to change their tactics or discontinue doing business. For example: Both John and Susan have taken their cars into Bad Bart's Auto Repair Shop many times. Bad Bart is not friendly and many repairs he has done have needed additional repairs soon after the work was completed. John and Susan do not like Bad Bart and they wonder if he has overcharged them; they are not happy with his work. However, they are both very involved in extracurricular activities at school and jobs. They do not feel that they have time to look for another auto repair shop. What would happen if John and Susan and other dissatisfied customers were to take their business somewhere?

What will happen if they continue taking their cars to Bad Bart's shop?

The fourth consumer right addressed by President Kennedy is the right to be heard.

When a product or service is not satisfactory, the consumer has the right to complain. In the majority of cases the seller or the manufacturer can correct the problem. Many companies have a consumer complaint department established for the very purpose of satisfying customers. If a complaint is not settled at this level, the consumer can move on to higher management for additional help. If a consumer still cannot reach an acceptable and reasonable solution, then the consumer can enlist additional help from the Better Business Bureau (BBB) or from the State Bureau of Consumer Protection (refer to vocabulary words for information about these agencies). State legislators can also help with problems which are on a state level or federal legislators for problems which are on a federal level. In some instances, a problem can be taken to court to be settled; however, court action should be used as a last resort because it is very expensive and time consuming.

Along with this right, comes the responsibility to speak up and let your likes and dislikes be known. One consumer who speaks up and effects change in a company may prevent

problems for thousands of other consumers. In many instances, a company may not even be aware a problem exists until consumers complain and make them aware of the problem, thereby offering them the chance to alleviate the problem and better satisfy the consumer. For example: Nick bought a pair of very expensive basketball shoes at the local sports shop. After wearing them during two basketball games he noticed that the soles were pulling loose from the shoes. Nick tried to return the shoes to the store where he had purchased them, but was told by the store manager that this particular shoe manufacturer does not allow for refunds or returns. Disgusted with this policy, Nick sat down and wrote a complaint letter to the company. In his letter he included all the purchase information and a copy of his sales receipt. He requested that the company either refund his money or replace the shoes. About a week later, Nick received a response from the company. They apologized for the inconvenience. They instructed Nick to mail them the defective shoes and promised to send him a new pair of shoes and a check to cover the postage for returning the others.

Is this an acceptable solution to Nick's problem?

What should Nick have done if he had received no response from the company?