

Business Awareness of Consumers Rights when Buying Online

The Competition and Consumer Protection Commission

October 2018



➤ **Company policy re consumers change of mind when purchasing online**

- Time allowed for change of mind
- Provision of return forms
- Sale items
- Who covers the cost of returns
- Timeliness of provision of refund
- Product packaging and returns

➤ **Summary findings**

➤ **Research Background**

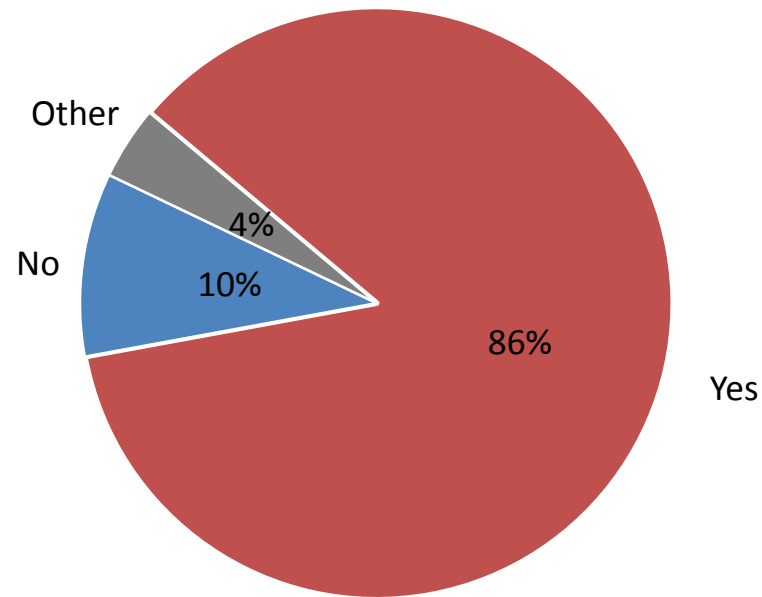
- Research methodology
- Profile of sample

*Company policy re consumers change of mind
when purchasing online*

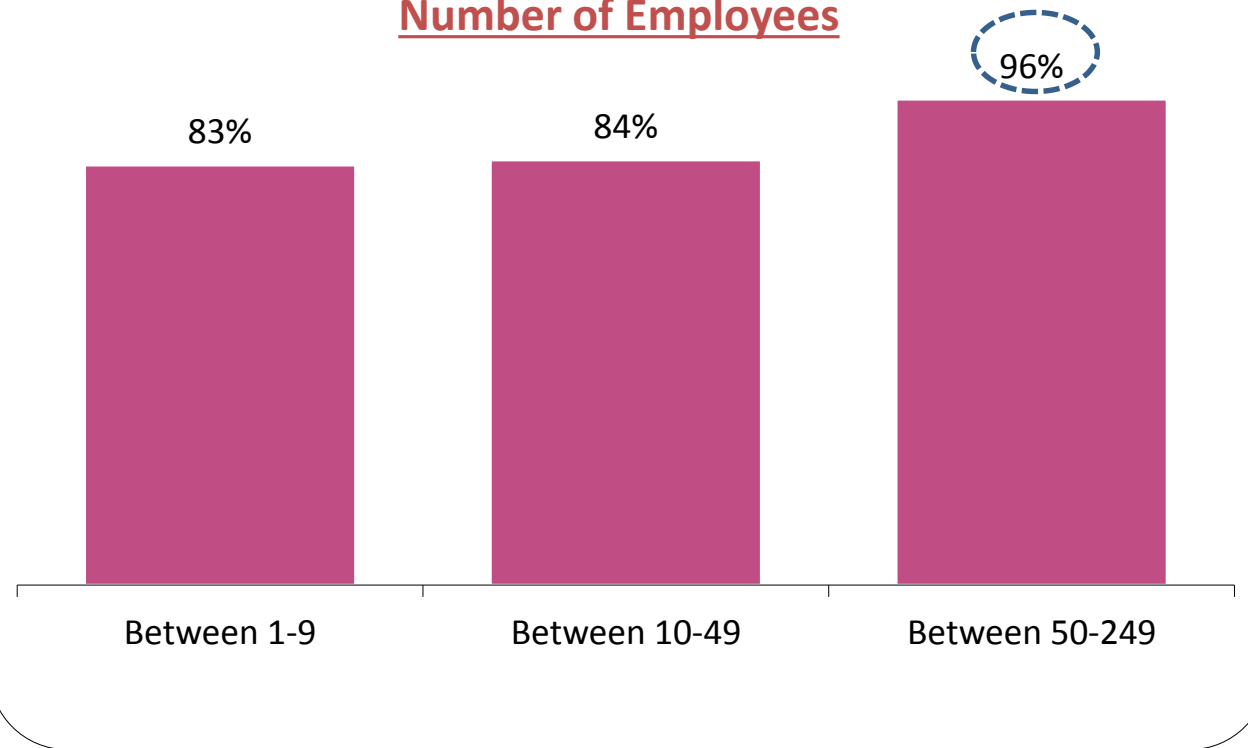
The vast majority of companies offer refunds for customers who purchase online who change their mind

(Base: All respondents – 200)

Refunds for change of mind



Number of Employees



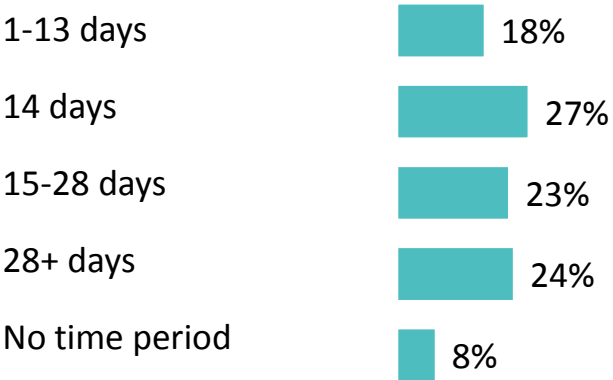
**Caution small base size*

82% of companies allow at least 14 days for customers to change their mind



(Base: All respondents with a change of mind policy – 179)

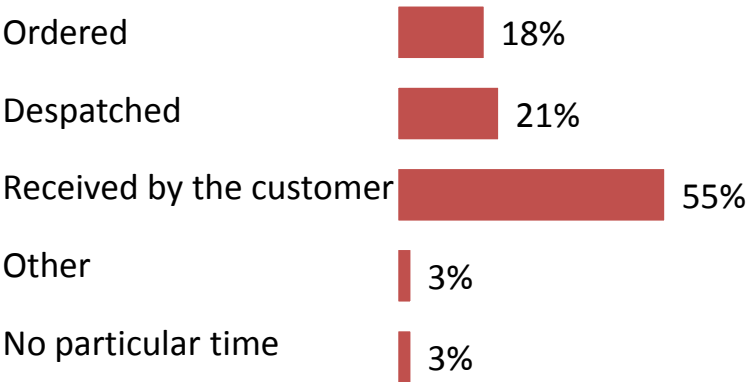
Number of days to change their mind



Average:

NO. OF EMPLOYEES	Between 1-9	Between 10-49	Between 50-249*
Average number of days	20	26	25

Start of time period



NO. OF EMPLOYEES	Between 1-9	Between 10-49	Between 50-249*
Ordered	18%	20%	13%
Despatched	12%	20%	35%
Received by customer	63%	51%	52%

*Caution small base size



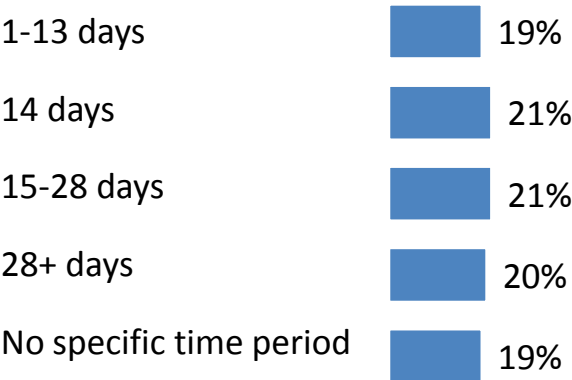
Q2 How long, that is how many days, do you give customers to change their mind?

Q3 From when do you count as the start of this time period?

81% of companies allow 14 days or more to return goods. However, for 3 in 5 companies the period begins when the customer has received the goods rather than when the customer notifies them that they are returning items

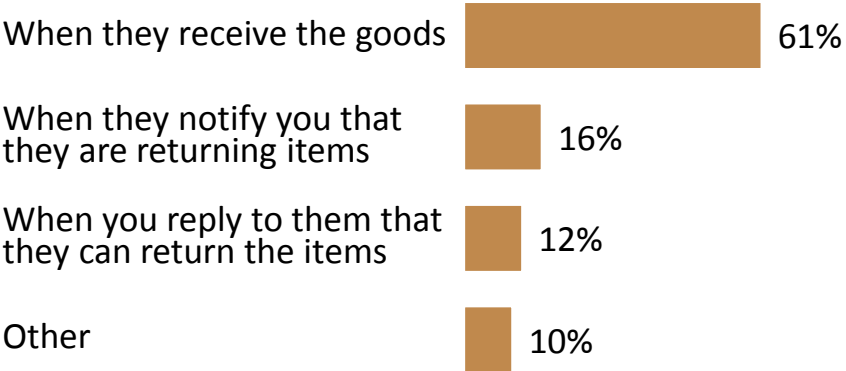
(Base: All respondents with a change of mind policy – 179)

Days to return once mind changed



NO. OF EMPLOYEES	Between 1-9	Between 10-49	Between 50-249*
Average number of days	19	23	26

Start of time period



NO. OF EMPLOYEES	Between 1-9	Between 10-49	Between 50-249*
Item received	64%	54%	70%
Notifying item being returned	12%	20%	17%
Reply after notification	14%	15%	4%

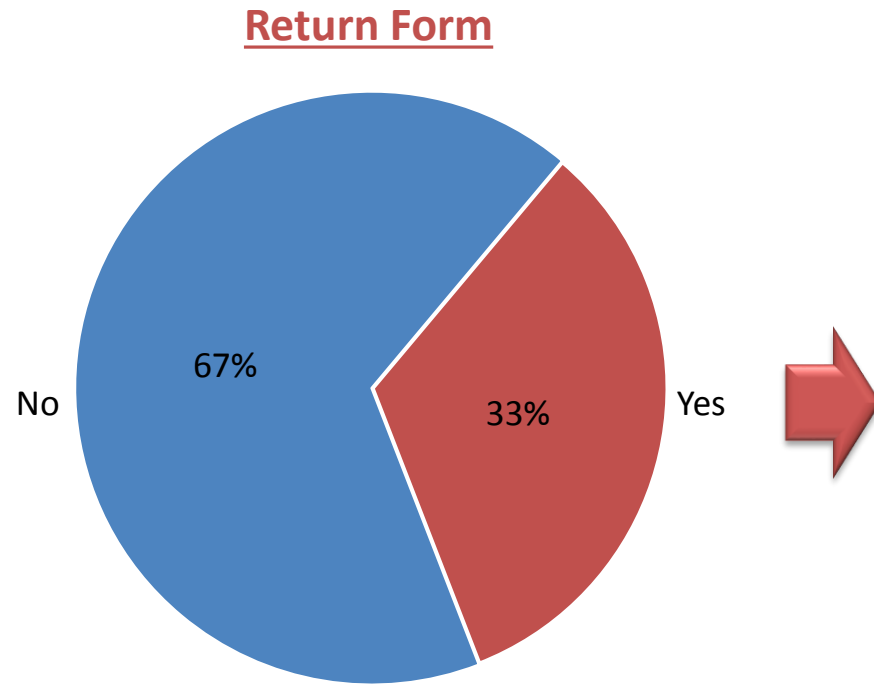
*Caution small base size

Q4 What timeframe, that is how many days does a customer have to return the items to you once they have decided to change their mind?

Q5 When does this timeframe start?

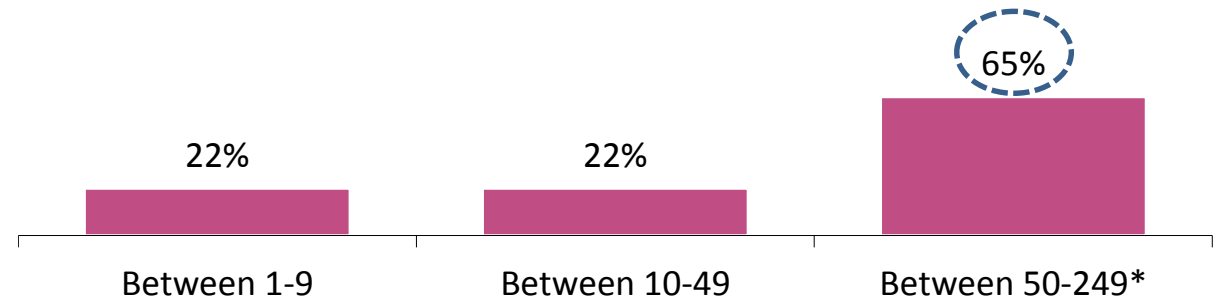
Two thirds of companies do not provide a return form for customers to use in the case of returns

(Base: All respondents with a change of mind policy – 179)



Medium sized companies are more likely to do so

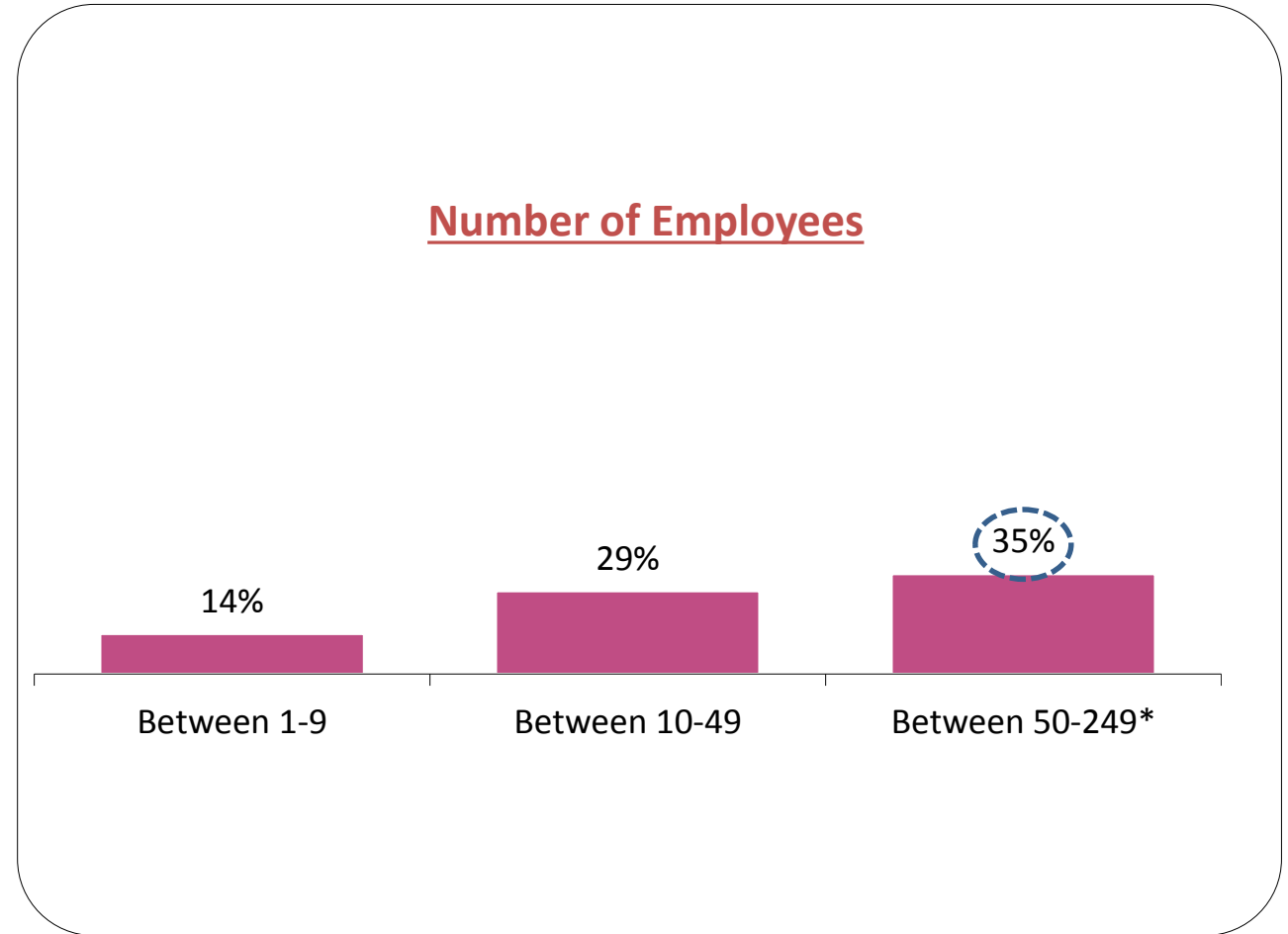
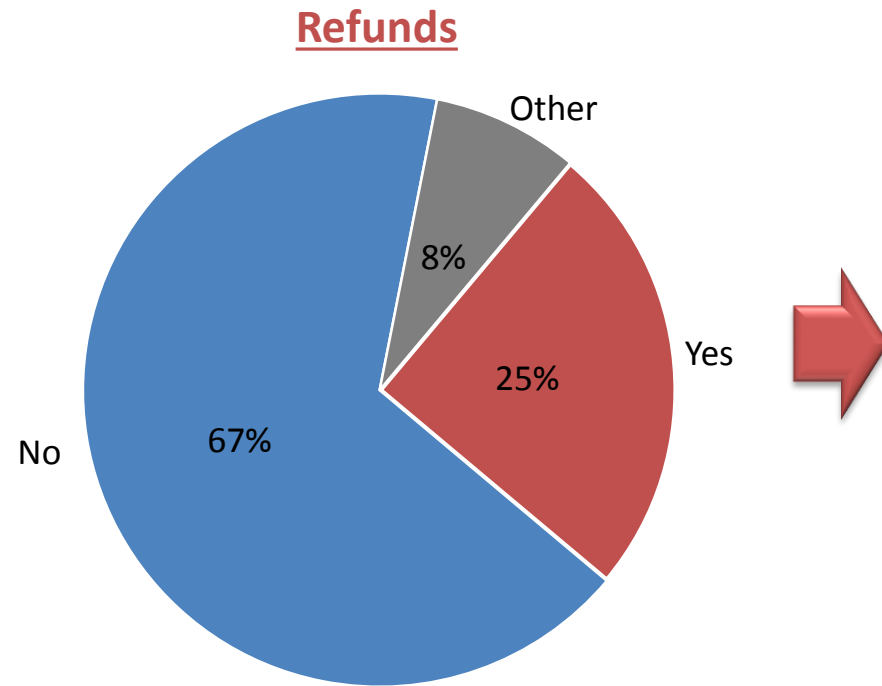
Number of Employees



*Caution small base size

A quarter of companies alter their change of mind policy for items that are on sale

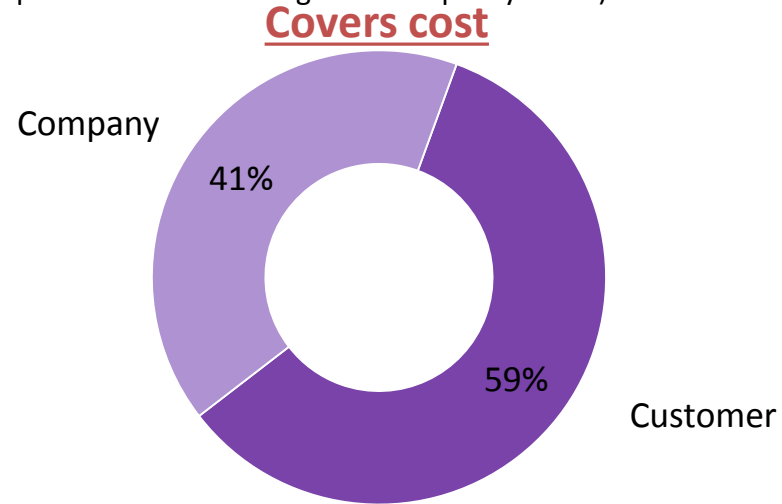
(Base: All respondents with a change of mind policy – 179)



*Caution small base size

41% of companies cover the cost of returns

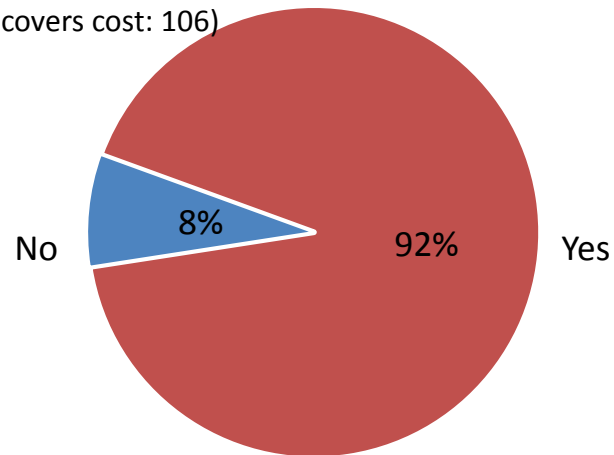
(Base: All respondents with a change of mind policy – 179)



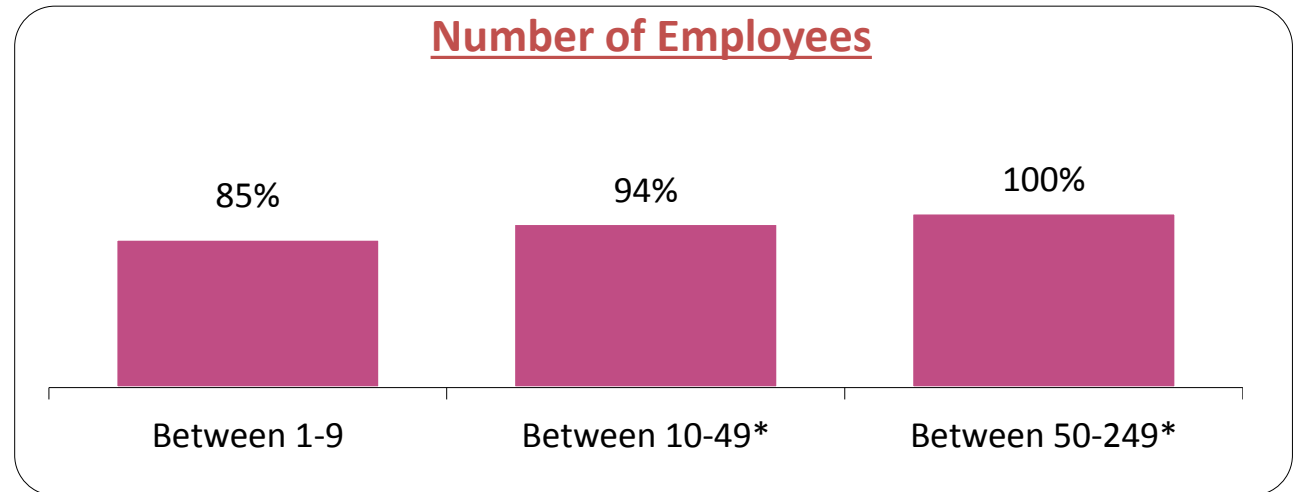
NO. OF EMPLOYEES	Between 1-9	Between 10-49	Between 50-249*
Customer	72%	52%	52%
Company	28%	48%	48%

Inform customer they are liable for cost

(Base: customer covers cost: 106)



Number of Employees



**Caution small base size*

Q8. If a customer returns items to you after changing their mind, who covers the cost of returning the items?

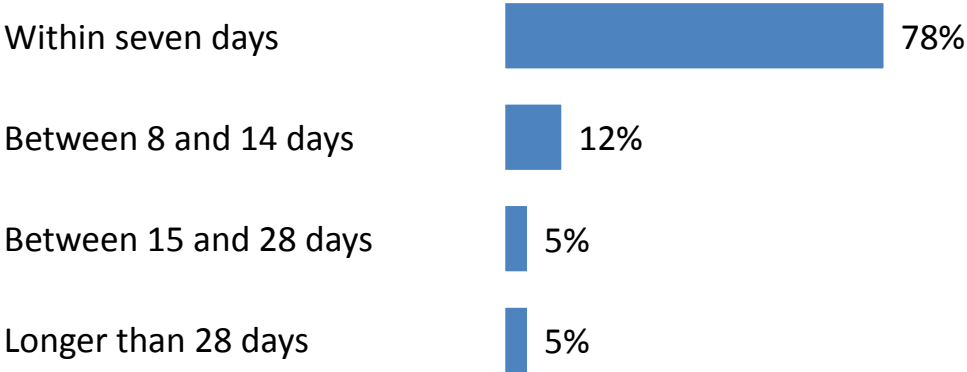
Q9. As you do not cover the cost, do you inform the customer that they will be liable for the return cost?

90% of companies provide a refund to customers within 14 days



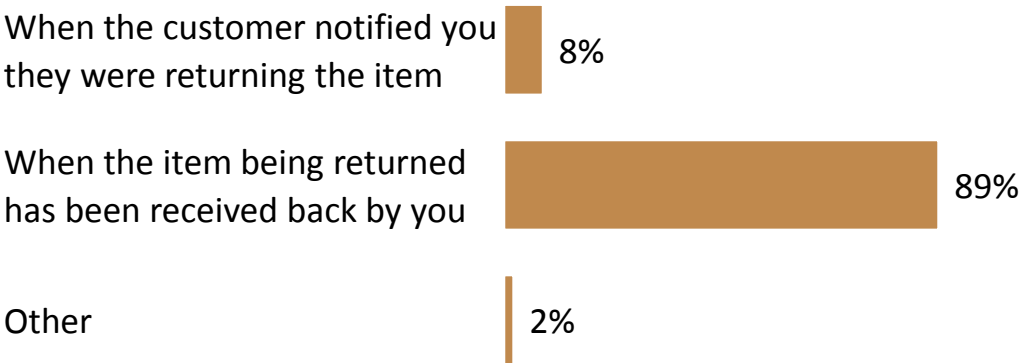
(Base: All respondents with a change of mind policy – 179)

Refund time period



NO. OF EMPLOYEES	Between 1-9	Between 10-49	Between 50-249*
Within seven days	84%	75%	74%
Between 8 and 14 days	12%	12%	13%
Between 15 and 28 days	0	6%	9%
Longer than 28 days	4%	6%	4%

Start of time period



NO. OF EMPLOYEES	Between 1-9	Between 10-49	Between 50-249*
Notified by customer	11%	9%	4%
Item received back	87%	88%	96%

*Caution small base size

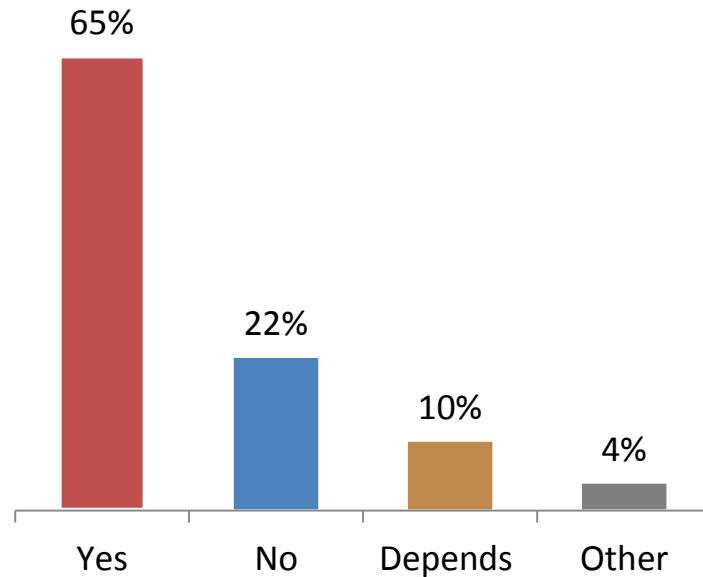


Q10. Once a customer has notified you that they wish to return items purchased from your website, in what timeframe (days) do you provide a refund to them?
Q11. From when does this time period begin?

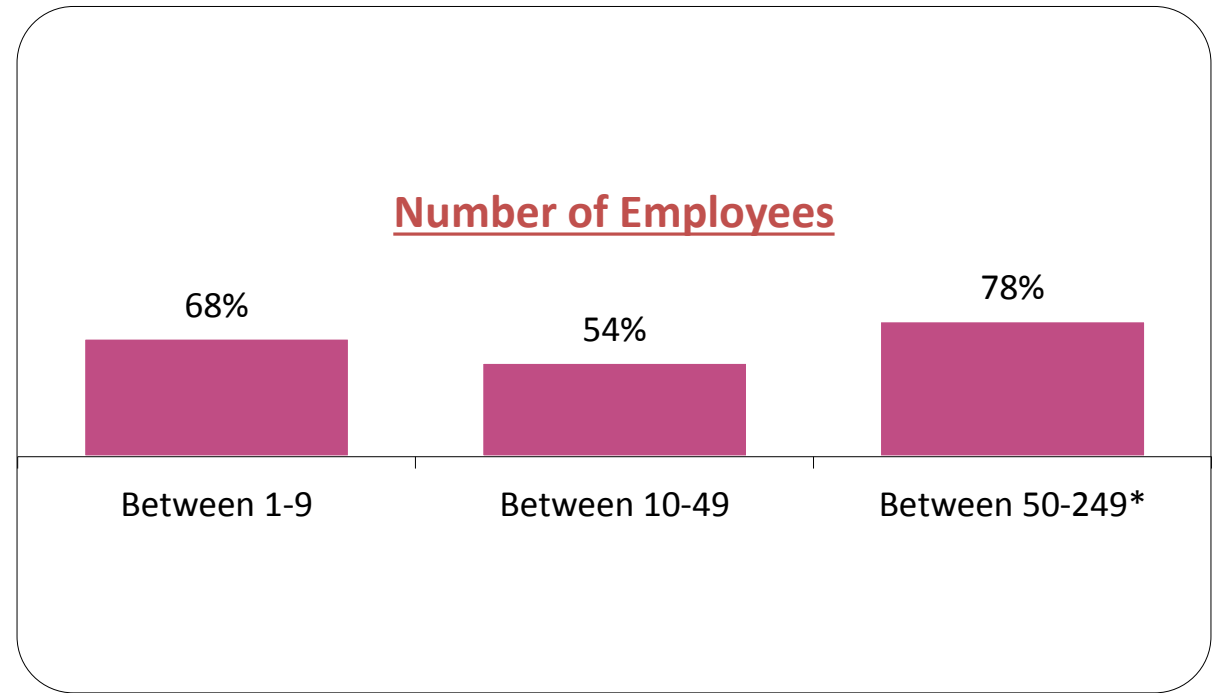
22% of companies do not accept returns when the packaging has been opened

(Base: All respondents with a change of mind policy – 179)

Accepted Opened Packaging Return



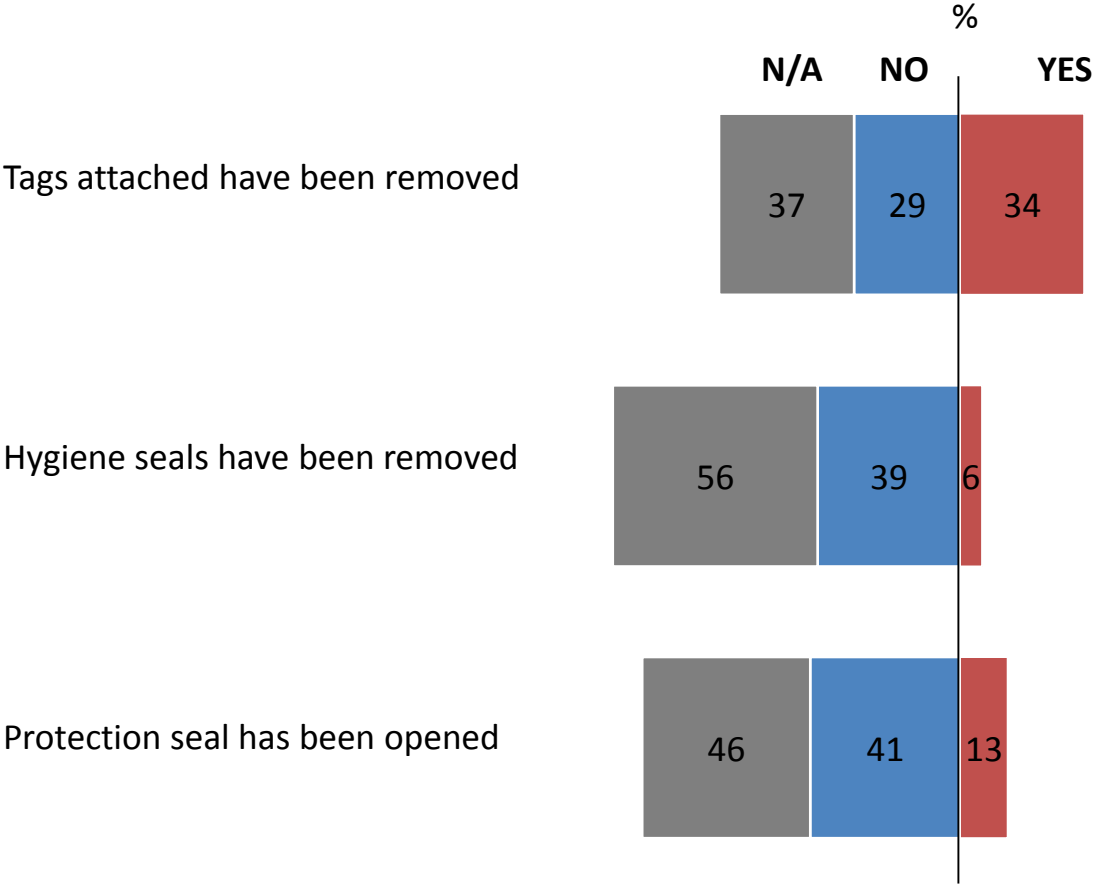
Number of Employees



**Caution small base size*

While accepting returns with the tags removed is acceptable for some companies, broken hygiene or protection seals are not commonly accepted

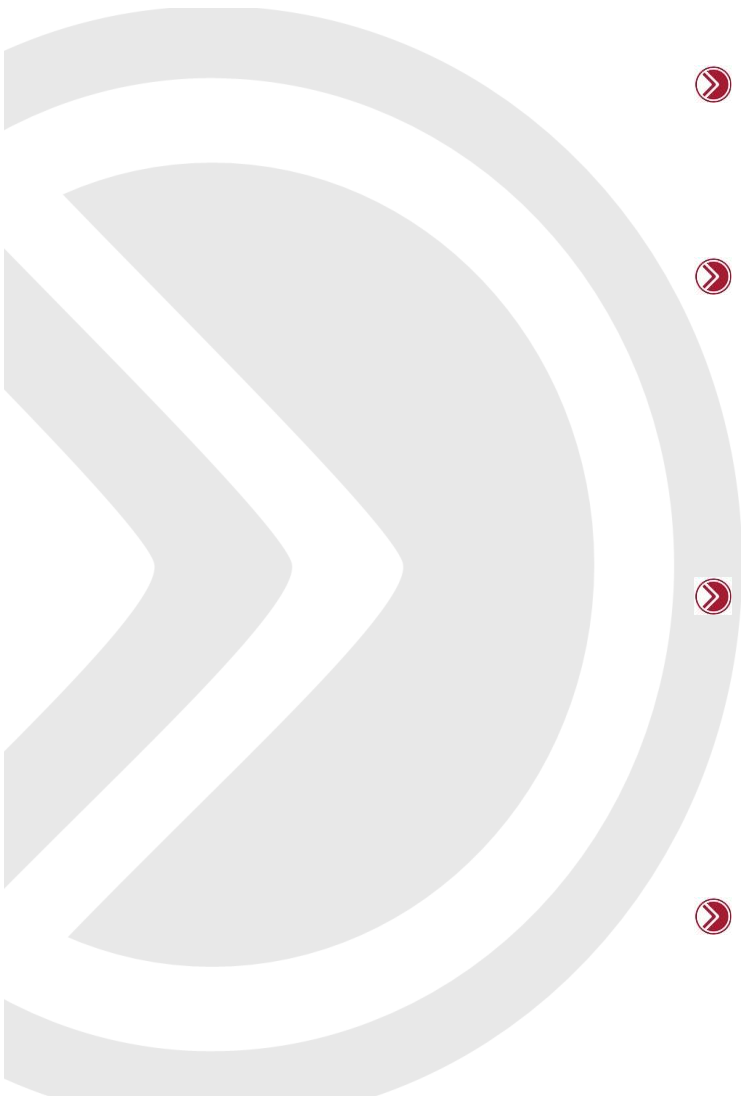
(Base: All respondents with a change of mind policy – 179)




Q12. Do you accept returns from customers when the product packaging has been opened?

Q13. Do you accept returned items if...

Summary Findings

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- A large, light gray decorative graphic on the left side of the slide, consisting of several concentric, overlapping curved lines that form a stylized arrow pointing to the right.
- The majority of companies (86%), provide a refund to customers if they simply change their mind and wish to return an item.
 - The majority of companies (82%) allow customers at least 14 days to change their mind. For just over half (55%) this timeframe starts from when the customer has received the product, whereas for almost 40% the period starts from when the goods are ordered or despatched.
 - 81% of companies allow 14 days or more to return goods. However for 3 in 5 companies the period begins when the customer has received the goods rather than when the customer notifies the company that they want to return the goods.
 - Only one third of companies provide a returns form for customers to use in the case of returns.

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- A quarter of companies alter their change of mind policy for sale items.
 - 90% of companies claim to refund purchases as a result of the customer changing their mind in fourteen days or less, this time period usually starts when the item has been received back by the company.
 - 22% of companies do not accept returns when the packaging has been opened.
 - 3 in 5 businesses (59%) make the customer cover the cost of returns and the majority (92%) inform the customer that they are liable for the costs.

Research Background

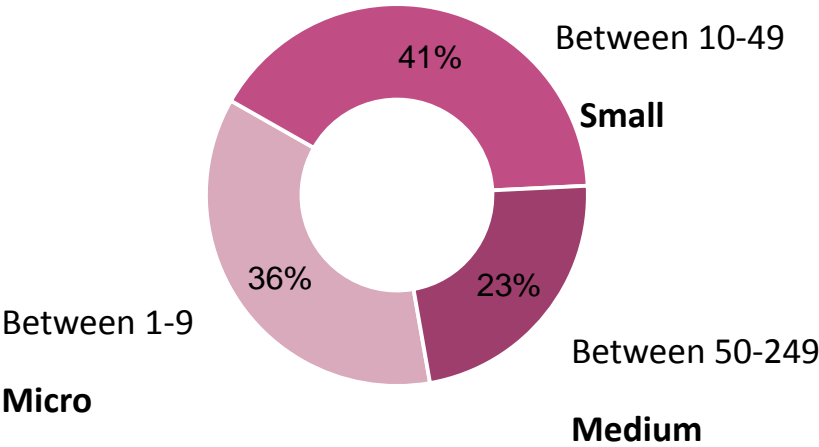


- The CCPC commissioned a research survey of SMEs in the retail trade in Ireland.
- The sample consisted of Irish retailers who sold goods online in Ireland and to other EU countries.
- We surveyed owners, managers, customer service managers and those who managed online selling.
- The survey looked at the opinions of 200 SMEs involved in online retailing.
- Interviewing fieldwork dates were 13th of August- 11th of September 2018.

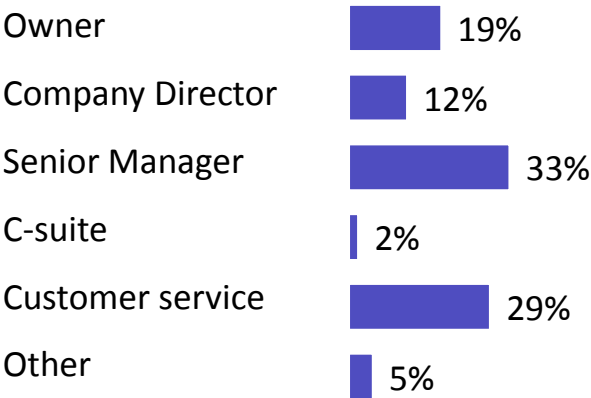
Profile Sample

(Base: All respondents – 200)

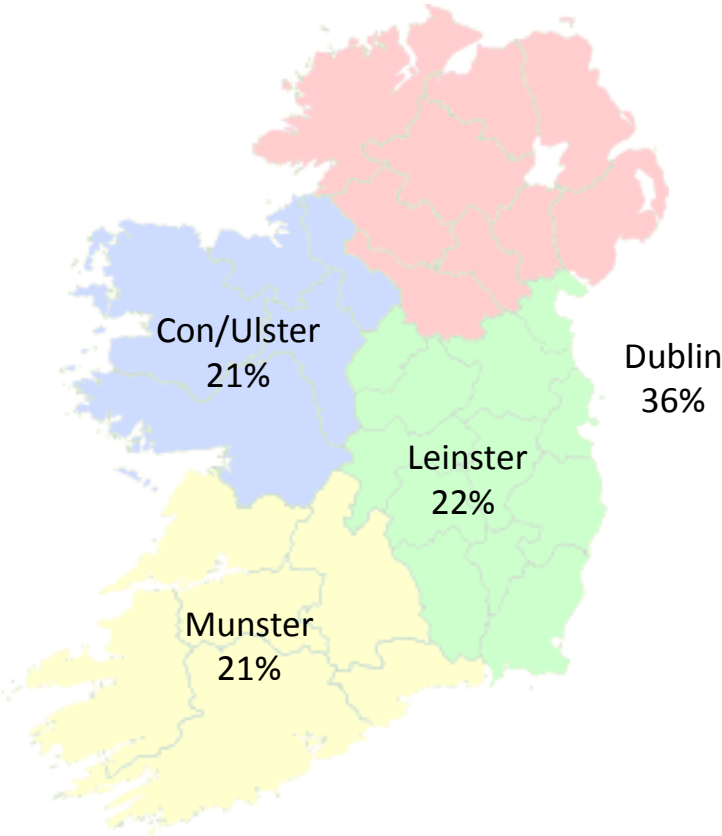
No. of employees



Role



County Business Located



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