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# 1.7

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## Exploring Business

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### Right and Responsibilities (The Consumer)

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#### Learning Outcome Notes

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LO 1.7 - Distinguish between and appreciate their rights and responsibilities as consumers

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**CHAPTER QUESTIONS**

1. Define the term consumer?
2. Identify the difference between goods and services?
3. Describe how to be a wise consumer?
4. Outline the right and responsibilities of a consumer?

**WHAT IS A CONSUMER**

<b>Consumer</b>	Def This is someone who buys a good or service for their own use.
<b>Good</b>	Def This is something that you buy, you can touch and see it.
<b>Service</b>	Def This is something that is done for you.
<b>Needs</b>	Def This is something that we can't live without. We need it to survive.
<b>Want</b>	Def This is something that we would like to have but don't need it to survive.

When we buy something we usually ask the following questions before hand

1. Are we getting value for our Money?
2. Are the product of high quality ?
3. Finding out information about the product before we buy it
4. If there is good after sales service in case the product is faulty

**THE WISE CONSUMER**

Money is a scare resource and when we want to buy something, we need to ask ourselves some questions

1. Do I need it?
2. Can I afford it?
3. Can I buy it cheaper somewhere else?
4. Is it a safe product?
5. Do I have space for it?
6. Are there any hidden charges?

Important Information about products

Many products have labels on them. These labels include the following -

1. Name of the product
2. Name and Address of Supplier
3. The weight of the produce
4. Price of the product
5. Best before/sell by date
6. Ingredients
7. Country of Origin
8. Barcode

**UNIT PRICING**Value for Money**False Economy**

<sup>Def</sup> Sometimes the large size is better value for money, but you may not use all the product thus throw it out. This is known as a false economy. Before you buy the larger product always as if you will use it before it goes out of date.

Own label branded (supermarket own label) are products that are better in value than branded product.

Consumer Rights

The rights of the consumer are set out in the Sale of Goods and Supply of services act 1980.

These rights included -

1. Goods must be of merchantable quality - This means that goods must be of a quality that a reasonable person would expect for their intended purpose. They should be free from defects, fit for their intended purpose, and durable enough to last for a reasonable amount of time.
2. Goods must be fit for purpose - If a consumer purchases goods for a particular purpose, they have the right to expect that the goods will be suitable for that purpose.
3. Goods must match their description - Goods must match the description provided by the seller. If the goods are not as described, the consumer may have the right to return them for a refund
4. Good must match sample.

### Consumer Association of Ireland (CAI)

This is an independent organisation who represent consumers and helps to protect their rights. Their website the cai.ie contains information about consumer right and has a question and answers section to help consumers.

### Consumer Responsibilities

Caveat Emptor - Let the Buyer beware. This means that the consumer must use some common sense when it comes to purchasing goods and services. If it is too good to be true it probably is.

Consumers have the following responsibilities -

1. **Ethical Responsibility** - Consumers have an ethical responsibility to make choices that promote fair labour practices, avoid exploitation and child labour, and do not contribute to illegal activities.
2. **Social Responsibility** - Consumers have a social responsibility to support companies that have a positive impact on society, such as those that prioritize social responsibility, support the local economy, or donate a portion of their profits to charitable organizations.
3. **Environmental Responsibility** - Consumers have an environmental responsibility to reduce their impact on the environment, such as by reducing waste and energy consumption, choosing products made from sustainable materials, and properly disposing of waste products.
4. **Financial Responsibility** - Consumers have a financial responsibility to make informed purchasing decisions and avoid overspending or accumulating unnecessary debt.
5. **Safety Responsibility** - Consumers have a safety responsibility to make choices that protect their health and safety, such as by avoiding products with known safety hazards or following proper usage and handling instructions.
6. **Legal Responsibility** - Consumers have a legal responsibility to follow laws and regulations related to their purchasing choices, such as those related to consumer protection, product safety, and advertising and marketing practices.
7. **Information Responsibility** - Consumers have an information responsibility to seek out accurate and reliable information about the products they purchase and to make informed choices based on this information.

**Ethical Responsibilities**

As a consumer, it is important to make ethical choices when making purchases. This means -

1. Considering the impact their purchases have on other people, such as workers involved in the production process.
2. Ethical consumers will look for products that are made in fair working conditions and will avoid products that are produced through exploitation or child labour.
3. Consumers should also avoid purchasing counterfeit goods, which can harm the economy and contribute to illegal activities.

**Social Responsibilities**

Consumers have a social responsibility to support companies that have a positive impact on society. This may include -

1. purchasing products from companies that prioritise social responsibility, such as those that donate a portion of their profits to charitable organizations.
2. Consumers can also choose to purchase products from local businesses, which can support the local economy and create jobs.
3. Additionally, consumers can boycott companies that engage in unethical or harmful practices, such as those that harm the environment or engage in discriminatory practices.

**Environmental Responsibilities**

Consumers have a responsibility to reduce their impact on the environment. This means -

1. making choices that minimise waste and reduce the use of non-renewable resources. For example, consumers can choose to purchase products that are made from sustainable materials or that have minimal packaging.
2. They can also choose to reduce their energy consumption by purchasing energy-efficient appliances and using public transportation or walking instead of driving.
3. Additionally, consumers can recycle and properly dispose of waste products to reduce their impact on the environment.

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### Past Exam Questions and Answers

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#### **NOTE - Very Important**

It is very important when answering exams question that you use the following steps -

1. That you know the information for the learning outcome
2. That you understand the information form the learning outcome
3. That you can apply the information form the learning outcome to the question
4. Be able to give at least two full sentences for your answer (Fill up the space)

Questions are changing from rote learning to applying the knowledge to the Question

<b>QUESTIONS</b>
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**2022 - Questions 8**

(i) Identify two benefits of shopping locally for the local economy.

1.
2.

(ii) Give one reason why a consumer may choose not to shop locally.


**2022 - Questions 10**

Read the following consumer complaints and then follow the instructions below:

	Complaint
A	My bank has not reduced its loan rates in line with EU regulations
B	I have been waiting four weeks for the electricity company to connect my house to the main electricity supply
C	My mobile phone company keep charging me extra money every month

Match the complaints above with the organisation that the consumer should be referred to by placing A, B and C in the correct box below.

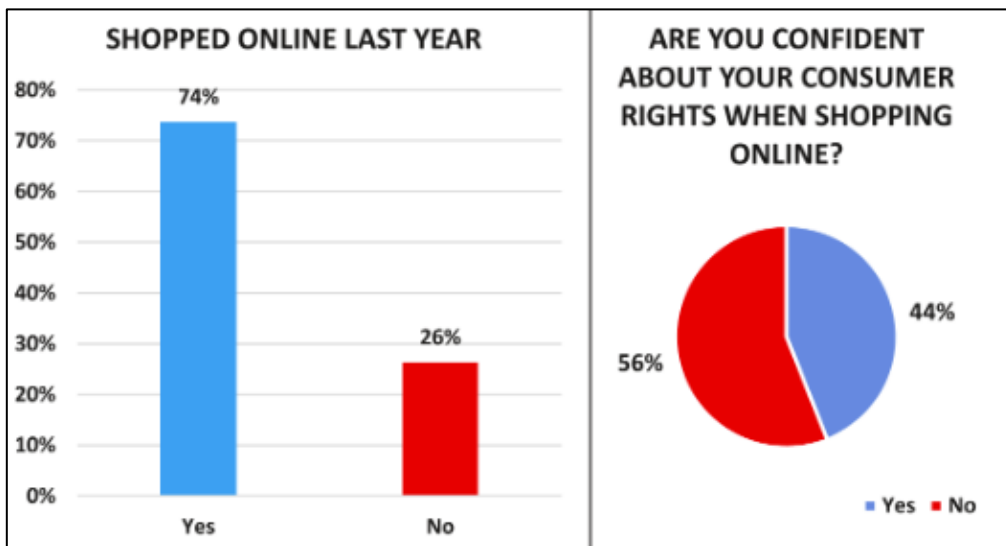
Financial Services Ombudsman	Commission for Communication Regulation	Commission for Energy Regulation

**2022 - Question 18 - Part a (iv)**

Outline one responsibility Kevin has as a consumer while shopping for insurance.


**2019 - Question 16 - Part b - (i) & (ii)**

The number of consumers shopping online is increasing but it appears that many are still not confident about their rights online. A recent survey indicated the following results.



(i) Explain three rights a good consumer should have when buying goods online

1.	
2.	
3.	



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- (ii) Your friend Deirdre (@deirdre22) has ordered a book from a business in the European Union. Forty days have passed, and the book has not arrived. Write a tweet to @deirdre22 to let her know what agency she should go to help for.


**2019 - Sample Paper - Question 16 - Part a (i)**

You sent this text message to a friend asking for consumer advice.

'I bought a pair of runners online and they were damaged when they arrived. What will I do'

She advised you to e-mail the company with your complaint. Write an email to the company ensuring the following information is included.

1. Use the email address [customerservice@runrun.ie](mailto:customerservice@runrun.ie) for the company.
2. Insert a subject of the email.
3. Clearly outline the complaint
4. Explain your rights in this situation

From	kateogrady@mail.ie
To	
Subject	

**2019 - Sample Paper - Question 16 - Part b (i), (ii), (iii) & (iv)**

Online spending overtook face to face spending in March,

(i) State two benefits for consumer shopping online

1.
2.

(ii) The European Consumer Centre Ireland (ECCI) encourages consumers to be safe when shopping online and offers helpful tips.

State two ways consumers can shop safely online.

1.
2.

(iii) State one advantage and one disadvantage for a business when selling online

Advantages
Disadvantages

(iv) As Consumers, whether purchasing online or instore we have ethical responsibilities  
State two ethical responsibilities that we have as consumers.

1.
2.


<b>SUGGESTED SOLUTIONS</b>
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**2022 - Questions 8**

(i) Identify two benefits of shopping locally for the local economy.

1. <b>Reduces Carbon Footprint</b> - It is better for the environment because goods are grown
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And sourced Locally and don't have far to travel
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2. <b>Provide employment</b> - The business will employ local people and if the business grows
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They will need more employees thus improving their standard of living
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(ii) Give one reason why a consumer may choose not to shop locally.

<b>Choice</b> - A consumer may choose not to shop locally because they don't have the product
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Or service they are looking for. If it is a particular product or service, they may have to
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Go to their nearest City to make the purchase as they have a better selection
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**2022 - Questions 10**

Read the following consumer complaints and then follow the instructions below:

	Complaint
A	My bank has not reduced its loan rates in line with EU regulations
B	I have been waiting four weeks for the electricity company to connect my house to the main electricity supply
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Match the complaints above with the organisation that the consumer should be referred to by placing A, B and C in the correct box below.

Financial Services Ombudsman	Commission for Communication Regulation	Commission for Energy Regulation
A	C	B

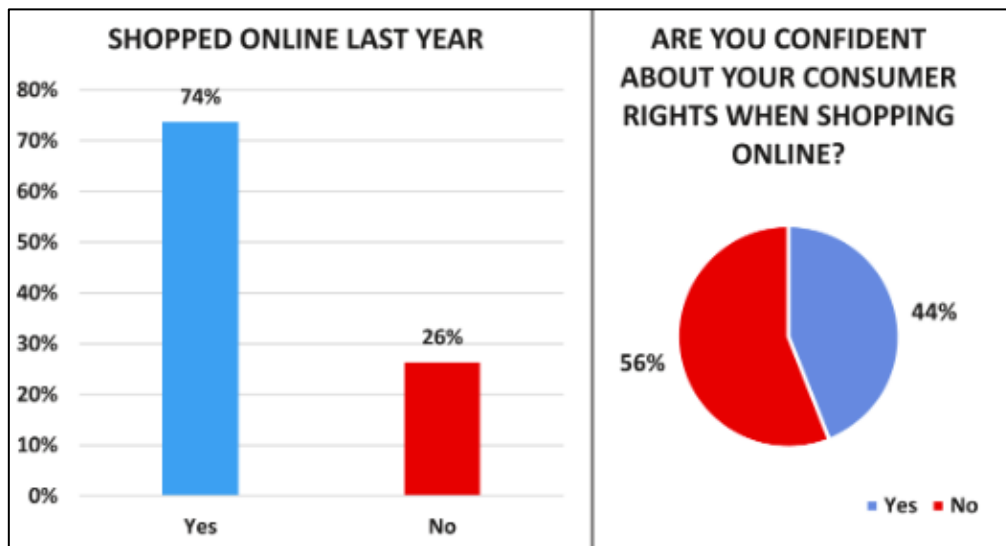
**2022 - Question 18 - Part a (iv)**

Outline one responsibility Kevin has as a consumer while shopping for insurance.

**Find out all information** - Kevin should find out as much information as he can about policy policy before he purchases it. This includes how many much the premium will be, how much The excess will be and what will be covered under the insurance policy and if it can be got Cheaper with another insurance company

**2019 - Question 16 - Part b - (i) & (ii)**

The number of consumers shopping online is increasing but it appears that many are still not confident about their rights online. A recent survey indicated the following results.



(i) Explain three rights a good consumer should have when buying goods online

1. **Use a safe website** - Make sure the website is safe by checking the weblink starts with https:, that it has a privacy. The s stand for secure and the website will be encrypted So your private details such as a credit card number will not be shared

2. **Any hidden extra costs** - Find out how much postage and packaging will cost. This can make the overall price of the product more expensive than you had thought. Especially if you think You will be saving money instead of buying the item in a shop

3. **Use a secure method of payment** - Use a secure payment method, i.e. paypal, and do not disclose your credit card number directly to the seller by email if online payment is not

available.

- (ii) Your friend Deirdre (@deirdre22) has ordered a book from a business in the European Union. Forty days have passed, and the book has not arrived. Write a tweet to @deirdre22 to let her know what agency she should go to help for.

Get in contact with the Competition and Consumer Protection Commission (CCPC)

@ccpc.ie, #buyingonline #consumerhelp #letthebuyerbeware

### **2019 - Sample Paper - Question 16 - Part a (i)**

You sent this text message to a friend asking for consumer advice.

'I bought a pair of runners online and they were damaged when they arrived. What will I do'

She advised you to e-mail the company with your complaint. Write an email to the company ensuring the following information is included.

1. Use the email address [customerservice@runrun.ie](mailto:customerservice@runrun.ie) for the company.
2. Insert a subject of the email.
3. Clearly outline the complaint
4. Explain your rights in this situation

From	kateogrady@mail.ie
To	<a href="mailto:customerservice@runrun.ie">customerservice@runrun.ie</a>
Subject	Complaint - Damaged runner bought online
	<p>Dear Sir/Madam</p> <p>On the 12.01.2023 I purchase a pair of runners form you company</p> <p>When they arrived, they were damaged. As outline under the sale of goods and supply of service act 1980 as a consumer my rights are that 1. Goods must be of merchantable quality - of certain standard and 2. They must be fit for purpose.</p> <p>As they two right have not been meet I am entitled to a Refund, Repair or Replacement. I would like a Replacement.</p> <p>I look forward to your reply.</p>

	<p>Kind Regards</p> <p>Mr. Ryan</p>
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**2019 - Sample Paper - Question 16 - Part b (i), (ii), (iii) & (iv)**

Online spending overtook face to face spending in March,

(i) State two benefits for consumer shopping online

- |   |
|---|
| 1. <b>They can shop from home</b> - You don't have to leave your house to shop you can do it from   |
| you own home  |
| 2. <b>24/7 365 days a year</b> - You can shop when ever suits your schedule this can be any time of |
| The day and you can shop all year round.  |

(ii) The European Consumer Centre Ireland (ECCI) encourages consumers to be safe when shopping online and offers helpful tips.

State two ways consumers can shop safely online.

- |  |
|--|
| 1. <b>Use a safe website</b> - Make sure the website is safe by checking the weblink starts with |
| https:, that it has a privacy. The s stand for secure and the website will be encrypted          |
| So your private details such as a credit card number will not be shared                          |
| 2. <b>Use a secure method of payment</b> - Use a secure payment method, i.e. paypal, and do not  |
| disclose your credit card number directly to the seller by email if online payment is not        |
| available.   |

(iii) State one advantage and one disadvantage for a business when selling online

- |  |
|--|
| Advantage  |
| <b>Bigger market</b> - They have access to more consumers this can lead to possible higher sales |
| Which can result is higher profits   |
| Disadvantage   |
| <b>Setting up the website</b> - There is a cost involved is setting up, maintaining and updating |
| The website  |

(iv) As Consumers, whether purchasing online or instore we have ethical responsibilities  
State two ethical responsibilities that we have as consumers.

1. <b>Protect the environment</b> - Consumers have an ethical responsibility by sourcing products
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And services that are friendly for the environment and made in a sustainable ethical manner
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2. <b>Support local / Irish products</b> - Consumer should buy Irish products. This can lead to
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An increase in employment which can help the Irish economy and improve the balance of payments
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