



PC Advisor readers back the Office of Fair Trading's condemnation of the sale of extended warranties, retailers own up to their software responsibilities, Novatech gets it right and ConsumerWatch uncovers a big Lidl problem

PC Advisor poll

The OFT reckons the sales tactics of electrical retailers on extended warranties exploit limited consumer information

I agree

(97.4%)

I disagree

(2.6%)

From a total of 1211 votes

← Extended warranties – or at least the overly keen way they are sold to unsuspecting customers who may not be aware of whether they will prove of value – have been slammed by the Office of Fair Trading. PC Advisor online pollsters were almost unanimous in echoing the watchdog's concerns

Readers have all-but unanimously condemned the manner in which electrical retailers sell extended warranties. In a recent online poll, garnering the most comprehensive ever response to a PC Advisor survey, a massive 97.4 percent of respondents agreed with the OFT's (Office of Fair Trading's) recent conclusion that 'the sales tactics of electrical retailers on extended warranties exploit limited consumer information'.

The UK's consumer watchdog slammed the sale of extended warranties on electrical goods following a 10-month investigation. The OFT concluded that electrical retailers such as DSG (Dixons Stores Group), which has snatched nearly a third of the £500m warranty market, can not be relied on to regulate themselves.

In its report, published back in July, the OFT stated that competition was not effective, consumers were not sufficiently protected or informed and that it would be referring the matter to the Competition Commission.

The Competition Commission will rule on whether or not the sale of electrical warranties is operating against the public interest and indicate whether a monopoly exists. It will report to the government in 10 months time.

DSG representatives consistently deny that staff are forced to give the hard sell on electrical warranties. Indeed, PC World's managing director Simon Turner told PC Advisor that the salaries of sales staff were not dependent on them selling such warranties.

To test these accusations of heavy-handedness, PC Advisor decided to carry out its own investigation by sending out an undercover reporter. To find out how we got on, read our special report, *Extended warranties: the lowdown*, on page 44.

Don't be soft on software

Following forum editor Peter Thomas' investigation last issue into whether or not software can be classed as 'goods' under the Sale of Goods Act, two readers

have added a categorical "yes it can" to the ongoing debate.

Reader Andy Crowe bought a copy of Symantec's Norton Utilities and Norton AntiVirus from the Exeter branch of PC World at the beginning of July. He was frustrated to find it wouldn't run smoothly under Windows XP, with no patch available. But the wording on the box clearly stated the software was compatible with Microsoft's latest operating system.

According to Mr Crowe, on returning to the store, PC World staff claimed it would only be possible to exchange the software for another copy of the same product and that a refund wouldn't be given.

Confused, he turned to the PC Advisor ConsumerWatch forum where he was informed that if software purchased is faulty – in other words it doesn't do what it is supposed to do – it is considered 'not fit for the purpose for which it was sold' under the terms of the Sale of Goods Act (1979). In such cases the retailer must offer a full refund or replace the goods, depending on the customer's preference.

Armed with a printout of the advice provided by forum editor Peter Thomas, Mr Crowe returned once more to the Exeter branch of PC World on 8 July and this time emerged victorious. He was given an immediate and full refund for £49.99.

Inspired by Mr Crowe's success, forum regular Stokholm (online nickname) recalled her live update problems with Norton Personal Firewall 2002 4.0, which she purchased online from Digital Link.

She originally tried to claim a refund by emailing Symantec UK with the purchase email as proof. Symantec UK, however, failed to respond and Stokholm initially let the matter rest. But in the wake of Mr Crowe's success she decided to try the retailer. She emailed Digital Link on 9 July and received immediate confirmation that a full refund (£24.79) would come her way.

A Lidl problem

German superstore Lidl has been accused by a PC Advisor reader of selling secondhand computers as if they were new. David Sharpe contacted us after he received poor service when he took his PC back to the Lidl store in Gloucester, claiming he had found another user's data on the hard drive.

Having returned the PC, Mr Sharpe has been left out of pocket, despite phoning customer services to try and get his money back.

"I have called and called and keep being put on hold. When I do get through the person takes a message and never gets back to me," he told us.

Under the Sale of Goods Act, all goods sold must be safe, durable and fit for purpose. Goods must also correspond with their description so, if the computer was sold as new, the buyer should be its first owner.



The store, which operates a 'no refunds' policy on goods, took the PC from Mr Sharpe, leaving him with only a receipt.

"Handing over the computer in exchange for a receipt was a good move," said a CA (Consumers Association) spokesman. "Under the law, goods are returned when a user rejects them; handing them back to the reseller is more than enough evidence of rejection." According to the CA, anyone who finds themselves in this situation should write a letter to the company involved stating in simple terms that they have rejected the goods and require a full refund.

"A company cannot refuse a full refund if the goods do not comply with the Sale of Goods Act," said CA's spokesman. "If they do, it will then be a legal matter for Trading Standards."

It is also important to keep a log of all phone calls made to the company and any conversations resulting from these, as well as names of all those employees who have been involved in the process.

"Obviously, if consumers pay on credit cards then they have a separate course of action with their credit card company as well," added the CA spokesman.

We tried to contact Lidl regarding the problems Mr Sharpe had encountered – no easy feat given that it has just one phone line for all customer enquiries regarding recruitment, store information, opening hours and complaints.

Eventually we managed to get the phone number of a Lidl spokesperson who said, "I would say sorry, but I am

not going to apologise for company policy. We are a private limited company and we do not speak to the press. All I can say is that we are aware of this complaint."

Bizarrely, on 18 July, Lidl general manager Nathan Lomus arrived uninvited at Mr Sharpe's house in a bid to persuade him to take back his old PC. He refused and threatened to call the police, with Lomus eventually leaving (PC in tow). Mr Sharpe is currently pursuing Lidl through the small claims track. Watch this space for further news.

Praise you

The PC Advisor ConsumerWatch forum likes to report on good service, as well as uncovering vendor misbehaviour. 'Credit where credit is due,' we like to say. This month it's a pat on the back for online retailer Novatech.

Reader Bill Jarvis bought a 250MB internal IDE Zip drive from Novatech way back in December 99. Last May, it suddenly stopped working. Bill contacted the local Portsmouth Trading Standards 'Square Deal' Scheme, of which Novatech is a member.

Mr Jarvis was told to return the drive to Novatech for inspection, remind the company of its responsibilities to customers under the Sale of Goods Act, and to ask for the drive to be replaced or repaired within 28 days. Novatech needed no persuading. A brand spanking new drive arrived less than four weeks after requesting a replacement. ■

Veni, vidi, vendor

Pulling your hair out trying to get hold of a vendor? The PC Advisor ConsumerWatch forum can help. We've got several official vendors on board, each with their own official threads. We have signed up the following, and there are more lined up:

Mesh
Evesham
Time
Multivision
Watford Electronics
Pipex
E-buyer

If you're a vendor and would like to set up an official presence email us at pcadvisor_consumerwatch@idg.com.

How to contact us

Got a problem with a manufacturer or vendor? Unsure of your consumer rights? Interested in a company's reputation? Get yourself to the ConsumerWatch forum. If you're not sure how to use our forum, check the instructions on page 139.

[www.pcadvisor.co.uk/
consumerwatch](http://www.pcadvisor.co.uk/consumerwatch)



consumer tips & tricks

Got an unresolved problem with a vendor and unsure what to do next? Get along to our ConsumerWatch forum, ask for some level-headed advice and read about other forum members' experiences. Here's our selection of choice cuts from the online clinic

Q I have mislaid an audio CD I bought and, though I have the case, I can't find the disc itself. I was wondering whether I can download the CD from a file-sharing site (my friend has found it online) and burn it on to a CD as it can no longer be bought in the shops.

If I was to do this would it be legal (I think I have the receipt somewhere). I also have a few other CDs that are damaged or missing, would it be legal to copy these as well?

A No, you're not allowed to download the CD. If it's protected by copyright, which it almost certainly will be, you will have to pay for it again. The fact that you have previously bought it and lost it doesn't entitle you to take another copy without paying for it, any more than you would be allowed to walk into a high street outlet and take a CD from the shelf without paying.

Q I returned my defective motherboard to the retailer two months after buying it but was told I only have rights for up to 30 days after the purchase date.

A This is a classic fob-off and should be met with polite but firm resistance. It may be the case that you are no longer entitled to a full refund, but 'fit for purpose', as described by the Sale of Goods Act (1979), still applies. If the goods turn out to be faulty then the contract between you and the retailer has been breached.

When you buy something you are entitled to expect it to last a 'reasonable' length of time. For a motherboard this is likely to be the maximum duration for 'robust' products of up to six years. The time depends on the type of goods – you wouldn't expect a squash racket to last as long as a laser printer. If there's a dispute over what's construed as a 'reasonable' length of time, the Sale of Goods Act may be invoked in court.



Q The shop assistant told me he couldn't replace my faulty scanner because I had lost my receipt.

A Another mistruth spun by some vendors. You can use any kind of proof of purchase: a bank statement, credit card slip or cheque stub is fine.

Q I bought an inkjet printer in a sale for half price. The retailer had flagged up a defect – the sheetfeeder had a large crack in it. Two weeks on, the feeder has split into two pieces. Can I get my money back or a replacement?

A No, because you knew of the fault before you bought it and the prospect of it breaking altogether should have been obvious to you.

Q A friend bought me a PDA (personal digital assistant) for Christmas. It no longer works properly. Do I have any rights in terms of getting it repaired or replaced?

A Historically, the contract was between the person who bought your present and the shop itself. However, there have been some recent amendments to the law providing owners with some

rights should the goods turn out to be faulty. To regulate this, the present-giver has to refer to you as the recipient of the goods at the time of purchase, identifying you on accompanying receipts, invoices or guarantees.

Q I bought a notebook this morning but I can't get it to work so I rang my bank to stop the cheque. I informed the store manager of my actions but she's now threatening to take legal action against me. Surely this can't be right?

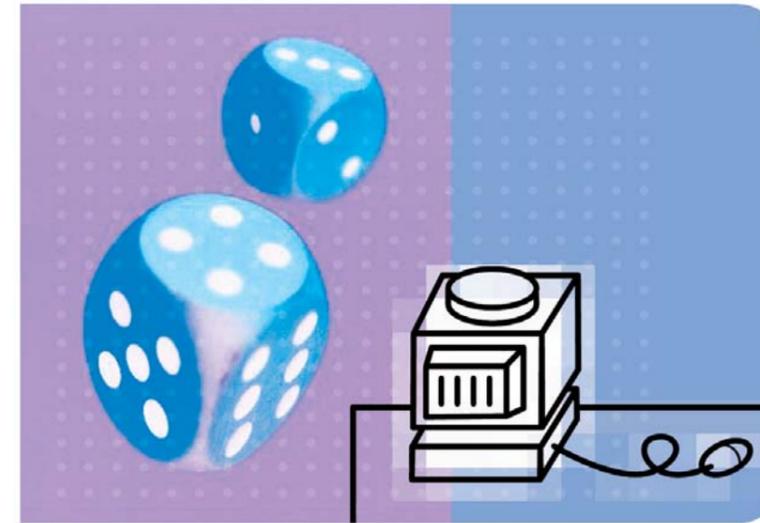
A You're on very dubious ground if you stop a cheque. By writing out and giving a cheque to a trader you are legally bound to pay. If you stop the cheque you are breaking that agreement and, as such, the retailer could claim against you, even if your goods are defective. Equally, if you pay by direct debit you should avoid cancelling a standing order to the trader, even if the goods are faulty. You could end up on a credit blacklist. ■

Got a problem with a vendor? Get yourself to the ConsumerWatch forum at www.pcadvisor.co.uk/consumerwatch



terms & conditions

With prices falling rapidly, a broadband internet connection has become the latest must-have for PC users. But what if you can't get it? Peter Thomas, PC Advisor's forum editor, investigates



With all the talk of 'Broadband Britain' you could be forgiven for thinking we will all be accessing the web at warp speed by Christmas. For many this will be an enormous boon and has prompted *PC Advisor* to devote a hefty chunk of our next issue exclusively to the benefits of broadband. For the significant minority of rural dwellers in the UK, however, the reality is likely to remain a far cry from all the hype.

In fact, if you've read our feature *Choose an ISP* (page 170), you'll know that, short of spending a fortune on a satellite connection, if you can't get ADSL or cable broadband, you may have to be content with a dialup connection for the foreseeable future. But fast internet access isn't a luxury. It can transform business communications and, for those that can't take advantage of its increased data transfer rates, not having broadband can be a serious setback.

Maintaining an image

Stephen Whitfield-Almond is a regular on our ConsumerWatch forum. He is a freelance photographer and runs a photographic agency supplying services to businesses, museums and art galleries worldwide. He works from his home office

and studio in the Cotswolds. The internet has become essential to his business.

"It's vital. I communicate by telephone and email, rarely using conventional mail," he says. "Sending test shots over the net to clients means I can work from home and keep my charges reasonable. I can use a webcam to show items to clients in real time."

Mr Whitfield-Almond says a broadband connection would transform the way he works: "Many of my image files are large (20 to 50MB), so I need a fast service and sending images by email is a quick method of supply." Unfortunately, it looks as though he will have a long wait – he lives only 800 yards from his local exchange, but there are no plans to upgrade it.

Progress at a price

Broadband provision is expensive. Converting a telephone exchange costs at least £200,000 and the figure can be far higher if new buildings are required. The telco is quick to point out its need to maximise profits for shareholders and will only invest in an exchange if it believes there is money to be made from doing so.

Laying fibre-optic cable (most UK broadband users access the internet this way) is also costly. The UK's two

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remaining cable companies, NTL and Telewest, are in debt and have little appetite for further franchise extension. In other words, if you're not in a cable franchise now, don't hold your breath.

BT, meanwhile, has placed great store by its registration service, which allows punters in non ADSL-enabled areas to indicate their interest and watch excitedly as the numbers in the area approach 'trigger levels'. Once the trigger level is reached, BT flicks the ADSL switch. But BT won't say what the trigger levels are.

Reach for the stars

BT is also piloting a cheaper, one-way satellite service that lets users download data at 256Kbps (kilobits per second) and upload speeds at 56Kbps. BT is working with ISPs including PlusNet, Eclipse and iZR to offer the trial package. Wholesale pricing is £360 for the initial installation, plus £10 per month rental, which works out cheaper than other satellite offerings.

But David Orr, head of media relations for BT Wholesale, could give no indication of when it would roll out nationwide. Even the participating ISPs appear somewhat half-hearted. An Eclipse spokesman said it was a question of "suck it and see".

Schemes and trials are BT's way of deflecting attention away from the fact that a third of UK's population can't get ADSL. And, in the midst of this trialware, Mr Whitfield-Almond knows he'll have to listen to the sound of a screeching dialup modem for some time to come. ■

legal advisor

What is the Data Protection Act and what steps should firms take to ensure they aren't breaking the law? Michael Clinch, senior litigator and partner at law firm Picton and Howell, gives a brief overview and highlights the basic issues that affect businesses

Whenever you collect, save or transfer personal data about an individual you are under a legal obligation to comply with the requirements set out in the Data Protection Act. Failure to do so can be a criminal offence, so if your business relies on the use of personal data you should notify the Information Commissioner and put internal procedures in place to ensure compliance with the act.

Personal data

The Data Protection Act does not apply to company details such as its name and address. However, if your database includes the name of any individual within the firm, this amounts to the processing of personal data and the act applies. Rules are stricter if you process highly sensitive data, including religious belief, racial or ethnic origin or political opinion.

The eight principles

Under the act, personal data must be:

1. Fairly and lawfully processed,
2. Obtained only for specified and lawful purposes.
3. Adequate, relevant and not excessive in relation to the purpose/purposes for which they are processed.
4. Accurate and kept up to date.
5. Kept for no longer than necessary.
6. Processed in accordance with rights of data subjects.
7. Protected by appropriate technical and organisational measures against



unauthorised or unlawful processing, against accidental loss, destruction or damage.

8. Kept within the EEA unless adequate level of protection for rights and freedoms of data subjects is granted.

Subject access rights

Individuals have the right to see all the data held about them. Businesses must comply but can charge a maximum of £10 for doing so provided they reply within 40 days of payment of the fee.

What you should do

• **Notification** Notify the Information Commissioner that you are processing personal data and renew the notification every year.

• **Internal guidelines and procedures** Review these to make sure that all personnel dealing with personal data are aware of the obligations under the act. Take legal advice or get a lawyer to undertake a data protection audit of your procedures.

• **Website** Make sure that a Privacy Statement is posted online. Alert visitors and ask their consent before processing their personal data. Check to see whether you're using cookies and if they are allowed.

• **Contracts** If you are exporting data outside the EU, make sure you are using Model Clauses in contracts relating to the export of data. These clauses are designed to protect the rights of the individuals whose data is being exported. Failure to use these clauses could result in prosecution. ■

PC Advisor personal data privacy campaign

Have you ever been sold a PC that had someone else's information on? Or has a PC you returned to a company been resold without being properly wiped? If either of these things have happened to you, we want to hear from you. If you find data on a PC purchased from the **DSG (Dixons Stores Group)** don't forget to email Simon Turner the managing director at simon.turner@dixons.co.uk.

email us at pcadvisor_consumerwatch@idg.com
and we'll take it from there



contacts

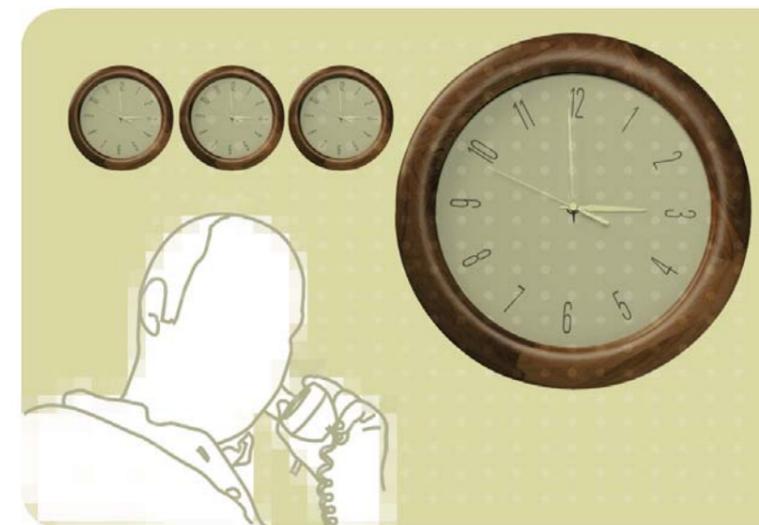
Where do you turn when things go wrong? There may be an issue with the ad that attracted you in the first place. So if you've been left with a useless piece of kit for which the manufacturer made extravagant claims, it could be worth informing the ASA

The ASA (Advertising Standards Authority) is the governing body responsible for regulating all non-broadcast advertising. Its role is to ensure that all advertisements are 'legal, decent, honest and truthful'. Its regulations cover advertising wherever, and in whatever form (other than radio or television), they appear. The ASA has clarified a series of codes that also governs advertising over the internet.

The codes apply to: online advertising in 'paid for' space (for example, banner and pop-up advertising); advertising in commercial emails and sales promotions wherever they may appear online. The ASA stresses that these codes do not in any way affect your statutory rights under the Data Protection Act. The Distance Selling Directive will provide protection for buying online.

I'm free! (well, nearly)

The ASA produced a report in September 00, which looked at the promises of 'free' web access. What emerged was many of these ISPs actually charged for an element of their services. Deals were heavily



oversubscribed, and many users were disappointed. ASA regulations require advertisers to show that they have anticipated demand, making it clear if stocks are limited and, hopefully, preventing the fiascos of PCs-for-£100 firm Smarttalk and no-charge ISP Breathe.com from recurring. Where companies have failed to anticipate demand, they will be in breach of the codes.

This aspect of the ASA's code could start the ball rolling against firms that become 'victims of their own success'. Regrettably, this phrase is fast becoming a euphemism for companies whose board members failed miserably to conduct standard business assessments of demand.

Surf yourself silly

The ASA also refused to uphold claims against BT that its ads claiming 'unlimited surfing every weekend with BT Internet' were misleading. The complaint was made because BT kicks customers offline after two hours, whether or not they are downloading or uploading data at the time. This was deemed not to be in contradiction to its claims of 'unlimited surfing' because people can reconnect immediately. That may seem odd, but the ASA tries hard to be fair and regularly upholds complaints made against the big boys.

Making your voice heard

To make a complaint about an advert call 020 7580 5555. Alternatively, fill in the claim form at www.asa.org.uk, via the Contacts icon. All complaints must be made in writing and sent to: Advertising Standards Agency, 2 Torrington Place, London, WC1E 7HW. ■

Where to turn for help

If the worst happens, it's good to know where to go for help. Here we list some important contacts which can help with a variety of problems from software copyright issues to non-delivery or payment problems.

- **Citizens Advice Bureau** For general legal advice and to find out your rights. For information, or to find your nearest CAB, call 020 8333 6960 or visit its website at www.nacab.org.uk.
- **Consumers Association** For advice on all consumer transactions, call 020 7830 6000 or turn your browser to www.which.net.
- **Fast (Federation Against Software Theft)** Regulators of software copyright law. Clivemont House, 54 Clivemont Road, Maidenhead, Berkshire SL6 7BZ. Call 01628 622 121 or visit online at www.fast.org.uk.
- **Office of Fair Trading** OFT, Fleetbank House, 2-6 Salisbury Square, London EC4Y 8JX. For general enquiries, telephone 0845 722 4499 or log on to www.ofc.co.uk.
- **PC Association** Non-profit organisation offering advice to both trade and consumers. You'll find tips on buying safely and a forum for complaining when things go wrong. Turn your browser to www.pcauk.org.