

DSG, the parent company of high street retailers Dixons, PC World, Currys and The Link hits back at criticisms over the value of extended warranties

At *PC Advisor* we have always been sceptical of extended warranties offered by enthusiastic salesmen. According to *Which?*, extended warranty rip-offs cost customers in the UK around £800m a year, with many people pressured into investing in them through hard-selling techniques. "If a sales person tries to sell you a warranty, just say no. They're usually too expensive, generally go unused and you'll probably get a better deal elsewhere," said Helen Parker, editor of *Which?*

Past *PC Advisor* polls show that our readers are clearly not enamoured by pushy sales techniques, with a massive 97.4 percent agreeing that retailers are exploiting their customers' limited knowledge of a product.

According to insurance provider Warranty Direct, in-shop warranties cost up to 40 percent more than those taken out directly with existing household insurers. In many cases, these will cover electrical goods at no extra expense.

But Dixons insists research from its own CoverPlan service showed, in some categories, 100 percent of warranty holders had actually called upon their extended guarantee.

"The over-simplification of a very broad and competitive product misunderstands both the complexity of modern electrical retailing and the needs of today's customers, and risks severely misleading those customers," said John Clare, chief executive of DSG (Dixons Stores Group).

"Comments on extended warranties that persistently focus only on technical failure rates are wide of the mark.



Customers don't just need support when a product technically breaks down," added Clare, "they need it throughout the life of the product, whenever they cannot get it to function properly, for whatever reason, whether a technical fault exists or not."

However, all companies offer standard warranties and most are happy to provide telephone support even after cover has expired. After all, even with an extended warranty you still have to pay for phone calls to technical helplines.

Nearly a quarter (23.7 percent) of respondents to our online poll felt Dixon's recent disappointing sales figures were mainly due to growing customer distaste

for aggressive warranty sales. Almost half (45 percent) blamed poor customer service from inadequately trained staff.

The Competition Commission has until July 03 to outline what it intends to do about extended warranties. One in five electrical products is currently sold with an extended warranty; a negative decision could end up costing manufacturers and retailers millions of pounds.

Warranty woes

Reader Mr Sumar has been waiting for over nine months to receive vouchers to replace his broken laptop. The product was covered under his PC World extended

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.

www.pcadvisor.co.uk/consumerwatch



Warranty watch

You have several lines of defence when it comes to fending off the hard warranty sales pitch. But it takes courage to stand your ground so, if you're in need of a little encouragement, here's *PC Advisor's* guide to getting the cover you want without losing your rag.

- **Legal aid** If you're worried about faulty goods, remember you are covered under the 1979 Sale of Goods Act, which places responsibility on the retailer to sell goods that are fit for their purpose.

Secondly, you are always covered for at least one year by the manufacturer's warranty. If you're truly worried about accidental damage, why not get insurance from a third party, such as your contents insurance provider. They often offer much better value for money.

If you feel uncomfortable at the prospect of paying a third more than the original asking price, take a stroll around the car park first and think it through – you can always come back later.

- **Changing your mind** Remember that DSG's CoverPlan warranties can be cancelled within the first 14 days and you will receive a full refund. They can be cancelled in store or by calling customer services on 0870 600 1550.

- **Keep calm** If you've got frustrations, don't take them out on staff. We have dealt with cases where customers have become so enraged that they've been forcibly ejected from the store and barred from returning. Such behaviour could discredit your case should it end up in a small claims court.

- **Help is at hand** You can talk to fellow readers who are experienced in dealing with warranty claims via our ConsumerWatch forum at www.pcadvisor.co.uk/consumerwatch. There's a good chance someone will be able to help you out and offer advice on what action to take.

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warranty, and the company collected it from him last May. We are still waiting for the company to get back to us; hopefully we won't end up waiting quite as long as Mr Sumar.

Warranty well handled

Proving that DSG doesn't always get it wrong, reader Mrs Allen wrote to us to praise Dixons' professional handling of her extended warranty.

She purchased a laptop from the retailer back in April 01 and by March 02 she had her laptop replaced three times due to faults with major components. Since then, Mrs Allen turned her back on laptops following the hassle and opted for a desktop replacement. Unfortunately she then had problems with the keyboard and mouse. The final straw came when the hard drive broke down.

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All in all, Mrs Allen has now received five desktop PCs. "There have been many derogatory comments made about the Dixons group," said Mrs Allen. "As far as I am concerned they have been very fair and I for one am glad I purchased an extended warranty."

Ever the sceptics, we actually realised that all Mrs Allen's machines would have been covered by their manufacturers warranty anyway so in fact she hasn't actually used her extended warranty at all. We are pleased, however, that for once we can offer Dixons a pat on the back for its efficient customer service.

Monitor watch

Forum visitor 'SpyMan' was miffed when informed by Multivision that it couldn't help solve his monitor problem. Instead

the PC maker suggested SpyMan contact Iiyama direct. As his PC was still covered under his three-year onsite warranty, he felt that Multivision should have collected and replaced the screen.

In its defence, Multivision said it suggests customers deal with monitor manufacturers direct because it's a quicker process. "If any customers would like us to arrange for the monitor to be replaced, we would be happy to do so. However, this is just more complicated and time-consuming for customers," said a spokesman for the company.

We advised SpyMan that taking his monitor back to the manufacturer directly was the best route in this case, particularly as Iiyama is known for its attention to customer service.

We'd like to see more companies concentrate on the quickest solution for their customers. Perhaps it would have made more sense in this instance, however, for Multivision's staff to have explained the reasons behind their solution to SpyMan when he first called.

"One of the main problems between companies and customers is a lack of communication," said a spokesman at the Consumers Association. "It is important consumers understand exactly what their warranty covers and, when they are told to approach someone other than their warranty-holder when a problem occurs, they know why."

Unfortunately, SpyMan received a secondhand replacement monitor but we advised him that under the Sale of Goods Act he was entitled to a brand-new monitor. He has since agreed a delivery date for a new monitor. ■



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

searching for help

The ConsumerWatch forum on the *PC Advisor* website now has more than 50,000 postings primed with comments about customer service and consumer rights. Guy Dixon shows you how to take it for a spin

As regular readers will know, most of the stories we deal with in this section arise from issues aired in the online ConsumerWatch forum at www.pcadvisor.co.uk/consumerwatch.

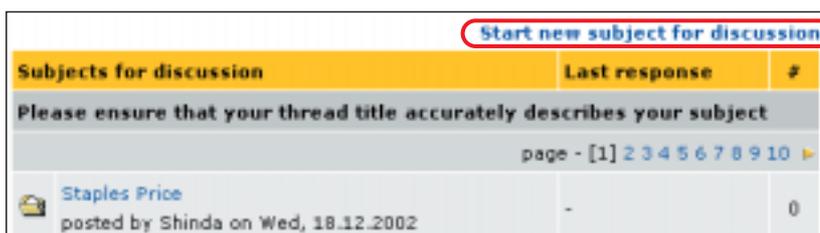
While we're more than happy to receive emails and letters from aggrieved readers, and do everything we can to help, you'll find that a trip to the ConsumerWatch forum is far more likely to result in a rapid and useful response.

Help yourself

We have a live walk-in consumer affairs clinic, which will automatically send you an email the moment that someone responds to your query. The forum is constantly checked by editorial members of staff, our forum editor, IT consultant Peter Thomas and the UK computer industry's leading vendors including Dell, Evesham, Mesh, Multivision, Time and many others.

Last, but not least, our online forum is manned by dozens of knowledgeable website regulars, ready and willing to lend a hand. Whether it's delivery problems, faulty goods or poor service you're experiencing, the ConsumerWatch forum is here to help. ■

Live clinic



1 To make a posting click on 'Start new subject for discussion'

2 Enter a succinct description of your problem next to 'Title' – for example, 'Monitor keeps flickering: just three weeks old'. Enter a more detailed description of your problem in the dialog box next to 'Message' and click 'Begin new subject for discussion'



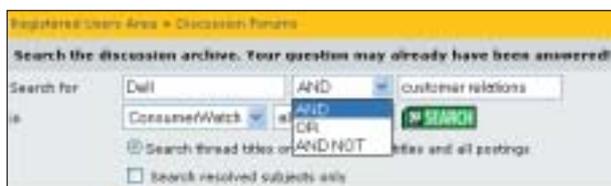
Stamping down prices!
posted by Les on Fri, 13.12.2002

3 The posting will instantly appear at the top of the forum threads. When someone responds to your thread, you will automatically be notified by email. If your problem is successfully resolved you are encouraged to click the resolved checkbox. That way other visitors can sift answered queries from unanswered ones

Search facilities

Visitors not only use the ConsumerWatch forum for live help, but also to get background information

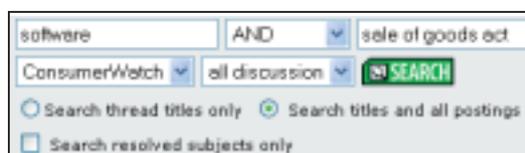
using its impressive search facilities. There are over 50,000 messages sitting in the database, waiting to be sampled. Check on the reputation of a manufacturer or retailer. Alternatively, search for consumer rights issues under a specific term – such as 'credit card' or 'Sale of Goods Act'.



1 Search using Boolean logic terms in your search title, such as 'and', 'or' and 'and not'



2 There's different levels of targeting to choose from – for example, the most highly targeted is a request to search on resolved subjects only or thread titles only



3 Alternatively, search for more obscure topics on a much broader level by opting for 'Search titles and all postings', such as a search on 'software' and 'Sale of Goods Act'

bandwidth crackdown

NTL's recent decision to cap downstream data-transfer limits for users of its 1Mbps service is further evidence that the broadband bandwidth chickens are coming home to roost. *PC Advisor* forum editor, Peter Thomas, reckons many other ISPs will follow suit

Back in February, NTL decided to restrict broadband users to 1GB of bandwidth per day – that's the equivalent of around 200 music tracks or 10,000 photographs.

The sudden announcement provoked anger in the *PC Advisor* forums, with nearly two thirds of respondents to a poll indicating that they felt NTL's action was: 'Unreasonable – unlimited should mean unlimited'. But a sizeable minority – over a quarter – felt that 1GB a day was more than sufficient.

Limits necessary

NTL reacted to the uproar saying that the limits were necessary in order to maintain a satisfactory level of service to the majority of its customers. The move was prompted by the need to curb the activities of a few people who consistently download huge quantities of data – much of it illegal music tracks from P2P (peer-to-peer) networks such as Kazaa and Morpheus.

The company's claim would appear to be backed by recent research. According to industry analyst Jupiter Research, over three quarters of European broadband users engage in file-swapping over P2P networks at least once a month.

The NTL move was prompted by the fact that a small number of subscribers were consistently consuming a disproportionate amount of bandwidth.

Your neighbour may stay online all day, downloading pictures of Kylie, without causing a problem but increase the number of people doing the same thing and you're in trouble. If just five percent of the userbase download at 512Kbps (kilobits per second) all the time, you might as well send your email by pigeon post.

NTL managing director Aizad Hussain says that customers who exceed the limit will not be disconnected: "Our objective is only to limit very frequent or heavy network use that can impact other customers." He added that the company would only contact customers who exceed the daily data limit for three or more days in any consecutive 14-day period.



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These subscribers will be contacted and advised on how to limit their bandwidth consumption. Whether persistent offenders will take any notice of this advice, and what action NTL will take if they don't, remains to be seen. It's pretty obvious to us that many of them are downloading music and software for all they're worth.

We think NTL could have handled the announcement better – it has appeared as if it tried to sneak this limit up on its customers, and the company may pay a

heavy price for its misjudgement. Other broadband suppliers must be watching NTL squirm. When potential customers are weighing the pros and cons, the 1GB limit may swing the digital balance away from NTL's service.

But angry users who rage against the NTL machine and threaten to transfer to other service providers, may well find that the grass on the other side of the broadband fence won't be greener for long. All broadband providers will need to look to their bandwidth as file transfers soar – and customers expect low prices.

In November last year, ADSL reseller FairADSL announced it would introduce broadband throttling in an attempt to combat the enormous increase in downloads from P2P sites, and others are bound to follow suit.

Honeymoon's over

It looks as though the honeymoon's over as far as bandwidth hogs are concerned. A year from now we may see an industry-wide move by all broadband ISPs as they impose similar transfer limits.

We'll see the introduction of tiered pricing structures, so people who want to spend their days building up the ultimate music catalogue will continue to do so – but only at a price. ■