



- 52 ConsumerWatch
- 54 Legal advisor
- 55 Safer shopping
- 56 Raising the standard
- 57 Consumer contacts
- 58 Supplier profile

We're turning the spotlight on Dixons Store Group's extended warranties and questioning whether the mighty Dell has gone cold on its smaller customers. Plus, we give you some pointers on warranties – whether you wish to cancel or take out further insurance

When it comes to spleen venting, nothing riles a *PC Advisor* reader more than the issue of extended warranties sold by the UK's biggest electrical retailers. In a recent poll on our website nearly nine out of 10 (87.6 percent) respondents indicated they thought they were a rip-off – the most condemnatory response we've ever had. Add to that the name of DSG (Dixons Store Group) and you have a potent cocktail which has prompted some of the most hotly debated threads in our *ConsumerWatch* forum (visit it at www.pcadvisor.co.uk/registered).

Keen to sell

Chances are, if you've bought anything over £100 from one of the Dixons chains this Christmas or new year, someone will have tried to sell you an extended warranty. In an interview with *PC Advisor*, PC World's managing director Simon Turner, has denied that his sales force receive commission for extended warranties. However, it doesn't take Sherlock Holmes to detect the suspiciously zealous fashion with which the extra protection policies are sold through each of the four DSG chains: PC World, Dixons, Currys and The Link.

The actual profits generated by DSG and other electrical retailers through the sale of extended warranties is a closely guarded secret. However, the overall revenue generated by the sale of extra protection was around £1bn last year – up from £650m in 1994. With more than 11 million Coverplan warranties in issue today, DSG's cut of the pie must be significant.

However, even if you decide to shell out the extra money for peace of mind there is no guarantee that you'll get the service you might have expected, as a number of readers found out.

Where in the world?

We looked into the case of a PC World employee who was on the verge of taking his own employer to court prior to *PC Advisor*'s intervention. For obvious reasons we can't give his name, but suffice to say he goes by the nickname of 'AJM' in our *ConsumerWatch* forum. He bought a Compaq notebook from PC World back in December 1999 and, for peace of mind, took out a three-year Coverplan warranty.

Back in August he spilt coffee over the keyboard, after which the notebook refused to boot up. Under the terms of his Coverplan it was sent for repair. It came back three times but on each occasion it refused to power up.

This process took more than six weeks in total. Under the terms of his warranty this should have meant that he was automatically entitled to vouchers that would allow him



to buy a replacement machine from PC World. He contacted Coverplan and was told that vouchers would be with him within the next 10 to 14 days. But the days turned into weeks and the weeks turned into months. His frequent phone calls to Coverplan were met with assurances that the vouchers were on their way.

Then, on 21 November, he was told he wouldn't be getting the vouchers as his notebook had actually been repaired and was awaiting collection at his local PC World branch. He complained that this was in breach of his original Coverplan warranty and threatened legal action within 10 days if the vouchers hadn't arrived.

At this point he posted details of his traumatic saga on the PCAdvisor.co.uk *ConsumerWatch* forum. We called the PC World press office, which prompted an immediate assurance from the chain that he would definitely be getting his vouchers. Finally, on 18 December, more than four months after he had dispensed hot coffee over his unsuspecting notebook, his vouchers finally dropped through his letterbox.

Security in the palm of your hand

Reader Marc Levine also found himself cursing his Coverplan. He took out a two-year warranty on a Palm VX bought from Dixons' Edgware branch in London in April 2000, paying an additional £47 (19 percent) on top of the £249 asking price.

When he needed to return the faulty PDA (personal digital assistant) he was told to send it to the manufacturer, as Palm preferred its own engineers to deal with repairs. According to Palm, he would automatically have been covered under the manufacturer's one-year warranty. Needless to say this had not been made clear to Mr Levine at the time of purchase.

Despite its trend-bucking success, Dell seems increasingly uninterested when dealing with small-scale purchases

Is there anybody out there?

Dell pioneered the direct channel business model. This revolutionary approach to the PC market was the major driving force behind selling build-to-order systems over the web, and has grown in a sector that is supposed to be in recession. But despite its trend-bucking success, Dell seems increasingly uninterested when dealing with small-scale purchases.

Over the past few months we've received numerous complaints from *PC Advisor* readers and website visitors. Unusually, this rarely has anything to do with faulty Dell products, but rather a glaring lack of the personal touch.

Watching warranties

1. Take cover **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'. Second, you are almost always covered for a 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. Such third parties can often offer much better value for money.**

Remember if you feel uncomfortable at the prospect of paying an additional third on top of the original asking price take a stroll around the car park first – you can always come back later.

2. Changing your mind **Coverplan warranties can be cancelled within 14 days with the customer receiving a full refund. They can be cancelled instore, or by calling Coverplan customer services on 0870 600 1550. If you cancel instore rather than over the phone, be warned you may well get a salesperson to try and talk you round.**

If you pay by direct debit it is also possible to cancel instore (as long as the first payment hasn't gone out). However, nervous sales staff anxious to avoid an ear-bashing from the store manager may refer you back to the bank.

3. Keep calm **If you've got frustrations, don't take them out on the 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 being heard by a small claims court.**

4. Help is at hand **Fellow readers who are experienced in dealing with warranty claims can be found in our ConsumerWatch forum at www.pcadvisor.co.uk/registered. There's a good chance someone will be able to help you out.**

Take the case of Wilfred Theakstone, for example. A researcher at the University of Manchester, his geography department had taken delivery of 40 Dell PCs, all of which worked smoothly. Mr Theakstone decided to go with Dell for his home PC. He ordered his system on 9 August, and his credit card was duly debited. However, he received an invoice but no PC. He tried calling the original salesman, but despite leaving three voicemail messages nobody called him back.

Mr Theakstone contacted customer services on 17 and 20 August – still no joy. He resorted to more traditional means of communication, writing to Dell on three separate occasions including one by recorded delivery on 23 August. He wrote again by recorded delivery on 30 October, quoting his invoice number, account number and customer order number – again, no response. This is where *ConsumerWatch* stepped in. After contacting Dell's customer service department, it turns out the company had tried to deliver on 15 October but to the wrong address. A number of calls were also left on Mr Theakstone's answerphone – the only trouble being that he doesn't own an answerphone.

So Dell had the wrong address and phone number even though these details were on his correspondence with the company and his original invoice. We were told by a spokesperson: "This order was in the depot for several months awaiting delivery, but due to incorrect details this did not take place".

His credit card was promptly refunded but no explanation was given as to why Dell had failed to deliver the system between 9 August and 15 October. Following *PC Advisor*'s intervention, Mr Theakstone did get an apology, but again no explanation was offered regarding Dell's lack of contact over the matter.

Could do better

In an increasingly familiar act of remoteness, reader Paul Dick has been trying to buy a £1,200 Dell notebook for his small independent school in Scotland for over a month. "No one will speak to us and phone calls are unreturned," Mr Dick told us. "We are keen to give Dell money but they don't appear to want it." He's now looking at reseller Dabs, which the school buys from when it's building its desktop PCs. ■

How to contact us

Got a problem with a manufacturer or vendor? Or perhaps you want to highlight a company's good service? Whether you've got gripes or notes of praise to broadcast, here's how to let us know:

- Email pcadvisor_consumerwatch@idg.com
- Post **ConsumerWatch, PC Advisor, 5th Floor, 85 Tottenham Court Road, London W1T 4TQ**
- Fax **020 7580 1935**
- Online **share your experience with others at www.pcadvisor.co.uk/registered**

Discussion Area

Consumerwatch

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Is there a good reason for getting WinME?

slimpickins

Sat, 25.08.01 | 10:09 GMT

I'm in the brain curdling process of choosing a new computer and wondering which OS to go for. Having phoned round the manufacturers I've found that I don't have to have WinME, which seems to generate more posts than anything else on these boards. They'll all pre install 98SE or 2000 instead, sometimes at extra cost, about £30 and with some lose of web support.

Is the any good reason to get WinME?

Which is better 98SE or 2000?

zebedee

Sat, 25.08.01 | 10:50 GMT

hslm-p

from what i can make out a lot of things will not run on windose 2000,one of the other posts at the moment said that his "go back" will not work, so he is trying to get another version, and a lot seem to want to put their PC's back from ME to 98se,i have just had the chance with my new PC to have either ME or 98 pre installed , i went for 98...

legal advisor

The online marketplace is not as unregulated as many people think – the Distance Selling Directive puts buyers in a strong legal position, and the law will punish shoddy dealers. Katherine Reed, writer with European analysts Eurocolumn, reads you your rights

Many consumers worry that the ‘faceless’ nature of a web transaction will leave them helpless if things go wrong, but this is not the case. Consumer rights apply to the internet in the same way as they do to other types of commerce where there is no physical contact between the buyer and seller. The European Union’s Distance Selling Directive harmonises consumer protection laws across the EU for the sale of goods or services by mail order, fax, phone and e-commerce. So whether you order from a German, French or UK company, your rights and entitlements are the same.

Just the facts

Under the directive, the seller must provide the buyer with certain information before the sale is made – for example, the seller’s identity, price and delivery of the goods, arrangements for payment and so on. Following the sale, the retailer must provide written confirmation of the order. At the very latest, this should be at the time of delivery.

Your prerogative

What happens if you decide you don’t want the goods? The directive gives you seven days to change your mind, cancel the order and send it back – without having to give a reason. If the supplier has failed to provide the necessary written information on terms and conditions, then you have three months in which to change your mind. The one proviso is that the goods are not used and that the seals on audio/video material are intact.

Finding fault

Suppose your new computer arrives, but does not work. The supplier legally has to offer you a full refund and take the faulty goods back at no further cost to you. If a consumer changes their mind or finds that the goods are faulty, their money must be refunded within 30 days. The Directive specifies that goods are to be delivered within 30 days after ordering and, should they become unavailable, that the customer be informed and refunded within 30 days.

Would you credit it?

The directive obliges EU member states to ensure consumers can cancel credit card payments and be fully refunded by the card issuer, in case of fraudulent use. If the vendor fails to comply with these regulations, you have the right to bring court



proceedings in your own country. Regardless of the EU state in which the supplier is located, the EU Brussels Regulation ensures that the courts of your country can claim jurisdiction.

But be warned, the directive does not cover all sectors and products. The major exception is financial services (the EU is working on special rules for this sector), so if your credit card was used fraudulently to purchase shares online you would not be entitled to a refund. If somebody used your credit card to buy a PC online, then you would be protected. According to the EC there is no financial limitation to this right – if what you purchase is covered by the directive, then your right exists in full.

Taking responsibility

We are all responsible for ensuring that our rights as consumers are respected. The Distance Selling Directive legally requires firms to provide information on the following before a sale is made: identity of the seller, price of the goods, delivery costs and arrangements for payment and delivery.

If any of this vital information is not clearly mentioned in the catalogue or on the company’s website, then our advice is don’t buy and look elsewhere. ■

safer shopping

While cold hard cash handed over on the spot in exchange for a new PC seems like your best bet for a successful purchase, other ways of shopping may afford more protection. Whatever method you go for, take note of our dos and don’ts

Even if you choose to buy from a firm with a great track record, it’s no guarantee that your PC purchase will go without a hitch. So, whether you’re looking for your first computer or are a seasoned PC shopper, bear in mind the following basic dos and don’ts when you hand over your credit card. This should save you unnecessary grief if your dream system turns out to be a bit of a turkey.

Where to buy

- **High street** Buying at a high street outlet is still the most expensive route to take because you’re paying extra for the vendor’s overheads, such as rent on prime shop premises. Remember, too, that you won’t necessarily be able to pick up your new computer there and then as most systems are still made to order. However, you will be able to try out a test model and many first-time buyers find this aspect of high street shopping particularly reassuring.
- **Mail order** Choosing the mail order route will get you a better price as many mail order dealers don’t have to worry about the costs and expenses of a shop front. However, this way of buying requires a lot more confidence. Jot down your specification requirements before placing

your order, and be prepared to argue with the sales staff because they’ll try to convince you need higher specifications than you really do.

• **Online** Buying over the internet is a good option if you’re after a decent deal. It’s very cost-effective for dealers as well, so they’ll entice you with great offers and the best specifications. You can usually configure your own system, too. The down side is you will need to know what you want as there’s often no one on hand to help you. One point to remember is that you should get an order confirmation via email immediately.

For any of the above options, don’t forget to test the company’s customer helpline, too. If it’s impossible to get through, just imagine how frustrated you will be holding on the line when you have a problem.

Always pay by credit card or via a finance house, especially for online or mail order transactions. That way, if you don’t receive your goods you will be able to claim on the credit card company’s insurance

How to buy

• **Ordering** Ensure that you keep copies of all your paperwork and correspondence with the company in question. A high street dealer should give you a receipt and details of your order. Mail order firms should give you a quote by return with a written guarantee of price and the exact specification of each component.

For web orders, stick to dealing with a well-known name and check that there’s a UK contact address and telephone number on the website in case you need to get in touch for any reason. Look for privacy-vetted websites displaying trading standards logos, such as those of the Which? Web Trader, Trusted Shops and TrustUK schemes.

• **Service and warranty** Remember to thoroughly check the type of warranty which comes with your system. Is it onsite, where an engineer comes out to you, or is it return-to-base, which means you have to send the computer to a repair centre? If it’s the latter, will you be expected to pay the courier fees, shipping it to and from your home or place of work? Look for insurance-backed warranties that will still be worth the paper they are written on if the vendor goes bust. Some of the larger IT companies make more from selling warranties than they do from selling goods, so it’s always worth haggling over warranty prices.

• **Small print** Read any small print. Be on the look out, in particular, for any disclaimers and E&OE (errors and omissions excluded) clauses that may mean you won’t get your money back in the event of you deciding to return the goods. If you are unsure about a certain piece of information, contact the company and ask for written confirmation that it will be able to provide the service that you want.

• **Paying** As we’ve said time and time again, always pay by credit card or via a finance house, especially for online or mail order transactions. That way, if you don’t receive your goods – for instance, if the company goes bankrupt – you will be able to claim on the credit card company’s insurance. However, this protection only applies to goods costing over £100, and does not apply to charge cards such as American Express or debit cards, even if they carry the Visa or Access logos. A supplier shouldn’t debit your card until the goods are ready to be sent out (see *Raising the standard* over the page for more details). ■



Need help with a legal matter?

While we try to do what we can to help our readers by mediating between vendor and customer, there are times when matters can’t be resolved without legal intervention. PC Advisor’s Consumer Hotline can help you with all your legal problems, taking away the cost of visiting a solicitor and letting you know when it’s time to take court action.

Whether it’s a consumer-related issue or a more general query, our fully trained experts can help. Give them a call on our Consumer Hotline number below.

Consumer Hotline 0906 906 0276

The PC Advisor Consumer Hotline costs £1.50 per minute, which covers all expenses including the legal advice. You will be charged for the service on your standard telephone bill. The Hotline is open from 8am to 10pm, seven days a week. If the line is busy when you call, you will not be connected and you won’t be charged. English Law applies to all advice given. The customer service number is 0870 739 7602.

raising the standard

Your local Trading Standards office is the place to complain about shoddy goods and services, but you need to know how to do it effectively. Steer clear of rash tactics such as cancelling payments, but be aware of your rights and the legal action you can take

A first port of call for many disgruntled consumers is Trading Standards but, contrary to popular belief, trading standards is not a national organisation. Each local council has its own trading standards professionals who are vetted and represented by the Trading Standards Institute. They enforce a wide range of consumer protection legislation including the Trade Descriptions Act, the Consumer Protection Act and all the pricing legislation currently in force. A Trading Standards website (www.tradingstandards.gov.uk), run by the Trading Standards Institute, tells you how to contact your local office.

Expert advice

Steve Playel, principal trading standards officer at London Borough of Brent and Harrow, offers the following advice about when to contact your local office and outlines what you should do if you think you have been sold goods that are faulty or not what you specified in your order. He also shows how to get maximum protection from the outset when buying particular products.

"Always pay by credit card for anything over £100. Credit card companies are jointly and severally liable for any breach of contract by the supplier." The answer for many non-credit cardholders is to buy using a finance company. One will usually be recommended by the manufacturer from which you buy the goods. Provided it's over £100, the finance companies are also jointly and severally liable.

Make a stand

So what happens when something goes wrong? The goods have been delivered to your home but they don't work, or on closer inspection it turns out they're not what you paid for. What now? Do you withhold payment until the matter is resolved? Playel advises against cancelling any standing orders you have with the company because "you'll be in breach of the loan agreement which means you'll probably be credit blacklisted". He also says "You're wasting your time messing about with phone calls. We get so many people calling us saying they have phoned, but the company claims not to have had those calls. You've got to write to the company as well." It's also vitally important to send any mail you post to the company you're in conflict with by registered post and to keep copies.

Under the EU Distance Selling Directive, customers have a seven-day, no-quibble right to return goods for any reason, plus several other important new payment rights

Words of advice

"If you buy a product and there is something wrong with it, notify the company straight away. Phone first and always back it up in writing. Send your letter by recorded delivery, keep a copy for your records and send a second copy to the credit card company or finance house."

What, exactly, should be included in your recorded letter? "Say the product is not working, it has not reached your expectations and, in your opinion, is in breach of the Sale of Goods Act. That's only [strictly] right if it's broken, but it's good to negotiate." Playel advises readers to be firm, and to ask for either a replacement system to be sent within 14 days, or for a refund.



Act on your demands

To be sure you get results from the company, it's time to come on heavy. A good idea is to back up your written demand with a call to action. Playel advises: "Say, 'If I don't hear from you within that time I'll consider taking this up in the small claims court'."

Starting this process will cost a few pounds, but small claims courts handle cases up to £5,000 with no set minimum. If you think you've been overcharged or goods have been misdescribed, contact your local Trading Standards office."

Finally, under the EU Distance Selling Directive, customers have a seven-day, no-quibble right to return goods for any reason, plus several other important new payment rights.

Under the directive, the seller must also provide the buyer with certain information *before* the sale is made – for example the identity of the seller, price of the goods, delivery costs, and arrangements for payment and delivery.

The European Union's Distance Selling Directive also specifies that goods are delivered within 30 days after ordering and, should they become unavailable, that the customer be informed and refunded within a month. ■

consumer 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'. The ASA's regulations cover advertising wherever, and in whatever form (other than radio or television), they appear. After several months of preparation, the ASA has clarified a series of codes so that it also governs advertising over the internet. The codes, a list of which is available by calling the ASA, apply to the following:

- Online advertising In 'paid for' space (for example, banner and pop-up advertising).
- Advertising In commercial emails.
- 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 sudden appearance and subsequent fast growth of unmetered internet access deals at the end of 2000 caused a



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; website: www.nacab.org.uk.**
- Consumers Association **For advice on all consumer transactions. Tel: 020 7830 6000; website: www.which.net.**
- Fast (Federation Against Software Theft) **Regulators of software copyright law. Clivemont House, 54 Clivemont Road, Maidenhead, Berkshire SL6 7BZ; Tel: 01628 622 121; website: www.fast.org.uk.**
- Office of Fair Trading **OFT, Fleetbank House, 2-6 Salisbury Square, London EC4Y 8JX; general enquiries: 0845 722 4499; website: www.oft.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. Website: www.pcauk.org.**

massive surge in internet use, with so-called 'free' online time being offered by a huge number of ISPs. The ASA made a report in September 00, which looked at these ISPs' promise of 'free' internet access. What disturbed the association was the number of ISPs that advertised free internet services and yet charged for an element of their services. Many deals were also 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. Importantly, 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 companies that become 'victims of their own success'. Regrettably, this phrase is fast becoming an obvious euphemism for companies whose board members failed miserably to conduct standard business assessments of demand.

Surf yourself silly

More recently, the ASA rather bizarrely refused to uphold claims against BT that the company's 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 information 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, you can fill in the claim form on ASA's website at: www.asa.org.uk, via the Contacts icon. All complaints must ultimately be made in writing and sent to: Advertising Standards Agency, 2 Torrington Place, London, WC1E 7HW. ■