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How long does a warranty last? *ConsumerWatch* reports on one man's battle with the mighty Dixons Group. We unearth a branch of Staples that sold a used PC as new. Plus, we discuss Kodak's Christmas cut-price digital camera debacle

On New Year's Eve, as the nation was donning its glad rags for the year's last party, an offer appeared on Kodak's web shop that had *PC Advisor* readers coughing into their cocktail shakers. Under a 'Special Deal' logo, the company was offering a 3Mp (megapixel) digital camera – the DX3700 – for just £100.

Nasty hangover

When the price turned out to be a mistake – it should have been £329 – Kodak withdrew the offer, but not before sending out a confirmatory email to expectant customers. In the email Kodak stated that payment would be duly billed to customer credit cards and that the message should be kept as a receipt of the purchase.

"You will need to provide a copy of this message if you ever need warranty service," it stated. The message rounded off with: "You should also be aware that you have a right to cancel this contract if you wish, without stating any cause, by sending or delivering to us a notice in the form attached within seven working days beginning with the day on which the relevant goods are delivered to you."

PC Advisor readers who'd taken up the special deal, but not received their cameras because Kodak withdrew the offer, held fire on legal action awaiting the result of the first case to be brought against Kodak by a disappointed customer in Ilford County Court.

The camera manufacturer initially stuck steadfastly to its guns, claiming that an automated response system did not constitute an agreement to supply at the advertised price.

"No, this is not a contract," the company said in a statement. "It is common industry practice and courteous to acknowledge customer orders... Kodak is not legally bound to honour any of these orders." A spokeswoman for Kodak said all affected customers will be contacted individually and offered a 10 percent discount on any goods sold via its web shop.

A question of semantics

Under the civil law, once a retailer has agreed to a customer's offer then a contract between the two has been made. If the justices deemed Kodak's email to comprise such an agreement then the camera manufacturer would have to find new reserves of the DX3700 camera or face damages for loss of bargain, the difference between the agreed sale price and the cheapest actual price. In this case, Kodak would face payouts of around £229 per customer. The exact number of people affected is thought to have been between 2,000 to 2,500, based on statements Kodak representatives have given. That could mean a payout of more than £600,000.



As the month of January ticked away the world of online retail looked on anxiously as two camps prepared to wage war. At issue was whether an automated email response confirming an order could constitute a contract.

Rather than face a hauling over the small claims legal coals, Kodak caved in and agreed to supply the cameras at the original offer price of £100 exactly a month after it was originally made.

History in the making

While industry watchers were disappointed that the dispute never reached the precedent-setting status afforded by a court decision, consumer rights advocates

hailed the company's capitulation as an historic one.

"Kodak initially thought they could tough it out," said a spokesman for the Consumers Association. "But they've come under an awful lot of fire. In the future companies will be very careful before they start arm-twisting their customers. It would have been much better if they had acted sooner"

The incident will prompt all self-respecting online retailers to go through their auto-response emails with a fine, legal toothcomb.

These are not completely uncharted waters. A year ago, Jungle was prompted to change the wording in its email responses from "confirming the order" to "confirming the receipt of order". "This way we know we're in the clear," said marketing director Andy Singleton.

World beater

Reader and regular forum visitor Carl Holbrough decided to take the UK's largest PC retailer – PC World – to task over the issue of warranties. He bought an Agfa e50 SnapScan scanner from PC World's Southend-on-Sea branch in November 2000 for £199.99.

When you buy something you are entitled to expect that it will last for a 'reasonable' length of time

Despite the usual pressure from sales staff, Mr Holbrough declined an extended warranty – or coverplan – saying that, having parted with the best part of £200, he should be able to expect a product with a reasonable lifespan.

As Sod's Law would have it, a year and a day later he was back in the same store, with a faulty SnapScan under his arm, only to be told that because the product was now outside the manufacturer's warranty period, PC World could no longer be of assistance.

A lengthy exchange of faxes and phone calls between Carl and Dixons' customer services ensued (PC World is part of the Dixons Group). The best

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 and think it through – you can always come back later.

2. Changing your mind **Dixons Group's Coverplan warranties can be cancelled within 14 days and you receive a full refund. They can be cancelled instore, or by calling customer services on 0870 600 1550. If you cancel instore rather than over the phone, be warned you may well get a salesperson 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. Be reasonable.**

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.**

Dixons would offer was £40 in vouchers. Needing his trusty scanner back, Carl forked out £75 to get it fixed by Agfa's preferred repairers Merencourt.

In a bid to get further advice, and to vent his frustrations, Carl started a thread in the *ConsumerWatch* forum on the *PC Advisor* website (www.pcadvisor.co.uk/registered), which soon mushroomed into record-breaking length. As action through the small claims court loomed, he decided to print out the thread and fax it to senior PC World management.

Carl soon had a £75 cheque winging its way to his home, accompanied by a note from Dixons explaining that the company was now happy to pay for the repairs.

"Consumer protection in this country is not what it should be – it needs some teeth," says a bruised but ultimately victorious Carl. "The Sale of Goods Act is fine but you are the only one who can enforce it and when it's you against a big corporation with a team of legal professionals waiting for you to make a mistake, which is easy, it is very daunting. If you decide to take them on be prepared for frustration, costs and lack of sleep."

Rapid response to reader

Last year we reported on Dixons Group chains selling on secondhand PCs as new. Now we have our first case from Staples.

Reader Barry Harris bought a Staples Scott 401 bundle for £919, two days before Christmas 2001. On booting up, the PC turned out to be password protected and featured the name of a previous owner.

Staples responded very quickly. The company replaced Barry's system with an HP bundle worth some £300 more than the original purchase and threw in a Harry Potter computer game as well. The sales manager then escorted him to his car and offered to personally deliver a replacement machine should any further problems occur.

As *PC Advisor* went to press, Staples was still trying to uncover exactly what went wrong with the branch's returns procedure. According to marketing director Joe Irons, the staff responsible for the misdemeanour had been reprimanded. ■

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 [add response](#) | [start new subject](#) | [view all subjects](#)

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 there any good reason to get WinME?
Which is better 98SE or 2000?

zebedee Sat, 25.08.01 | 10:50 GMT
slimpickins 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

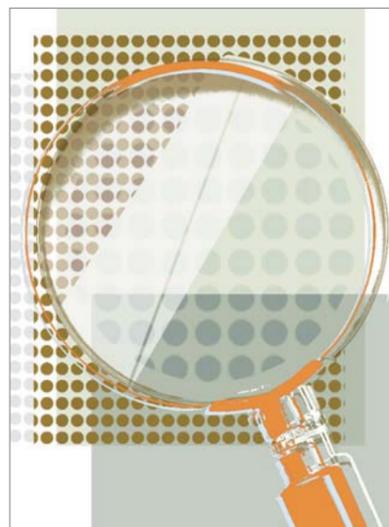
What happens if you decide you don't want the goods? The directive gives you seven days to change your mind, cancel the order and send it back – without having to give a reason. If the supplier has failed to provide the necessary written information on terms and conditions, then you have three months 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

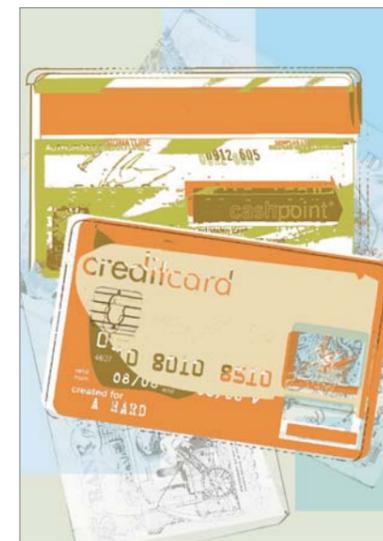
How to buy

- **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.

- **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.

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 Smartalk 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. ■