



Does your company make every effort to ensure customers receive a fair and reasonable deal in terms of quality, safety and service in all its products and/or services?

Rationale for question

The [United Nations Guidelines for Consumer Protection](#) identify that it is 'the responsibility of the producer to ensure that goods meet reasonable demands of durability, utility and reliability, and are suited to the purpose for which they are intended' and further outline similar requirements for the provision of services. Nonetheless, according to the [UK Office of Fair Trading](#), unsatisfactory goods and services cost UK consumers an estimated GBP 8.5 billion per annum. This figure does not account for any of the additional, intangible costs incurred by consumers, such as emotional stress and wasted time.

Due to an inequality of information and an imbalance of bargaining power, consumers can be vulnerable to exploitation by businesses. Most countries have some degree of consumer protection legislation covering quality, product safety and customer satisfaction and restitution, but levels of statutory protection vary. Many also have regulatory regimes or professional bodies that protect both the public interest and the interests of professionals or producers by maintaining oversight of standards.

It is good practice for companies to ensure that customers receive a fair and reasonable deal. Doing so can enhance a company's reputation and consumer confidence. As a result, there is a strong business case for providing consistently high standards of quality and service:

- The costs of finding new customers are five to ten times as much as the costs of retaining the current ones.
- Satisfied customers refer others to a business, whereas dissatisfied customers discourage others from using it. Various studies indicate that customers tell approximately twice as many people about a bad experience as they do a good experience.
- An angry customer is not necessarily a former customer. Satisfactory resolution of complaints allows a business to retain that customer, and perhaps even gain referrals if the customer was happy with how the company handled their complaint.
- Many customers will pay more for good service. According to the [National Complaints Culture Survey](#), 68% of customers are prepared to pay up to 20% more for good service.

Companies can ensure that customers receive a 'fair and reasonable deal' in terms of quality, safety and service through various means. Some may include:

- equitable and clearly written contract terms/conditions;
- product/service guarantees, e.g. product delivery timelines or response period for correspondence;
- adherence to an industry code of practice;
- production, performance and safety standards, including quality assurance systems; and/or
- complaints handling procedures.

It is also important for a company to monitor how well it meets consumer expectations. For example, this can be achieved by developing performance indicators, such as independent audits, mystery shopping exercises, product testing, or carrying out customer satisfaction surveys.

Key consumer issues will vary according to business sector but the principle of consumer protection remains constant. For example, in the financial services sector, information about risk is crucial to a potential investor, while in the organic food sector, maintaining organic standards is imperative. A sustainable business is likely to be one that consistently addresses quality, safety and service issues in an efficient way.

Defining terms

A 'fair and reasonable deal' respects consumer rights, promotes consumer welfare and offers equitable terms for products and services. The deal provides the consumer with transparent and honest information about the products or services.

Primary and Secondary answer requirements

ANSWERING YES

Companies must:

1. demonstrate how they ensure that customers receive a fair and reasonable deal
2. describe how they monitor and evaluate performance; and
3. describe how they identify the key issues in relation to customer service in their business sector.

Companies may:

1. supply a hyperlink to its customer service policies, if available on the internet; and
2. provide any other indications, such as product or service awards, which demonstrate a company's care in offering consumers a 'fair and reasonable deal'.

ANSWERING NO

Companies must:

1. explain why they do not or cannot answer YES to this question, listing the business reasons, any mitigating circumstances or other reasons that apply.

Companies may:

1. describe any efforts they do undertake to provide customers with a fair and reasonable deal; and
2. mention any future intentions regarding this issue.

DON'T KNOW is not a permissible answer to this question.

NOT APPLICABLE is not a permissible answer to this question.

NO ANSWER YET is only permissible under extraordinary circumstances and then for only a limited period.