**Topic 2.6 Meeting Consumer Protection Laws: Activity**

**HOMEWORK**

|  |
| --- |
| **Case Study:** |
| **1)** Marc Stringer has been awarded £5,925 in compensation after he had taken a ‘holiday from hell’ in the Dominican Republic. He had booked himself on a package tour with the holiday company MyTravel which has since merged with Thomas Cook. Staying at a five-star hotel, ‘after a couple of days we started to notice we were getting ill’ he said. There were cockroaches in his hotel room and there were often flies on the restaurant food which was left out uncovered for several hours.  Within three days of arriving, he was in hospital with acute diarrhoea. When he came back to the UK, he was ill for a further eight months. He only got his compensation after taking legal action against the tour company.  Source: adapted from [www.news.bbc.co.uk](http://www.news.bbc.co.uk)24.7.2008.  **2)** A Devon caravan seller has been fined £7,200 and ordered to pay £2,400 in costs by a Devon court for offences under the Trade Descriptions Act. LK Caravans had given misleading information about the age of 12 caravans in advertisements. One caravan, for example, was described as being manufactured in 2003 when in fact it was made in 1996.  Source: adapted from [www.devon.gov.uk](http://www.devon.gov.uk)  **3)** Sophie King has been awarded £7,200 compensation after the heel on one of her brand new £35 Dolcis stiletto heeled shoes snapped. She broke her ankle, had to have an operation and was put in plaster. The compensation was awarded for her pain, suffering and loss of ability to work. Michael Hardacre, who represented Sophie King, said: “In English law, she was well protected under the Sale of Goods Act, so it was relatively straightforward.’  Source: adapted from [www.guardian.co.uk](http://www.guardian.co.uk) 9.7.2008. |

**Questions:**

1. **Explain the purpose of (a) Trade Descriptions legislation and (b) Sales of Goods legislation. In your answers, give examples from the information above(6)**
2. **Assess two effects of consumer protection laws on businesses such as Thomas Cook or LC Caravans. (8)**

HINT : Consider both the positive and negative effects on a business of following the law.

1. **Would businesses like Thomas Cook be better off if there were no consumer protection legislation? Justify your answer. (8)**

HINT : Think about the effect on costs / profits but also a business’ reputation and repeat business. Also would companies still act fairly even if there were no consumer laws