businesscompanion
trading standards law explained

Writing a returns policy

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In this guide, the words 'must' or 'must not' are used where there is a legal requirement to do (or not do) something. The word 'should' is used where there is established legal guidance or best practice that is likely to help you avoid breaking the law.

This guidance is for England, Scotland and Wales

Consumers have rights where goods are faulty or not as described. Retailers' returns policies can add to, but not take away from, these rights.

This guidance does not apply to businesses that sell only to other businesses.

If you sell at a distance (for example, through a website or by mail order) or away from your business premises ('off-premises' - for example, in consumers' homes), then the consumer has additional rights that must be reflected in your standard terms and documentation. This guidance has separate sections for goods sold in a retail shop and for those sold at a distance or off-premises.

Am I 'in business'?

When considering whether you need a returns policy (particularly if you only sell online), it is important to work out if what you do actually constitutes being 'in business' at all.

Information on this subject, including a flowchart, can be found in 'Am I in business?'.

Retail shop sales

Do I have to accept returns?

Under the Consumer Rights Act 2015 (CRA), consumers may be entitled to a refund, replacement, repair and/or compensation where goods are faulty or not as described. They are also entitled to a refund and/or compensation where the seller had no legal right to sell the goods. See 'Selling and supplying goods' for more detailed information.

In other cases - for example, where the consumer has bought an item of clothing in the wrong size, or they have changed their mind or an item is an unwanted gift - there is normally no automatic right to return goods.

What can I say in my returns policy?

The terms of your returns policy must be 'fair'. For guidance on fair and unfair terms and notices, see 'Unfair contract terms'.

It can be difficult to draft a returns policy that provides the consumer with useful information, protects your interests and also meets the requirements of the law. For this reason, it is often said that 'the best notice is no notice' and you do not need to state a returns policy at all unless your policy offers the consumer more than their minimum entitlement in law.

Where you do offer the consumer more than the law requires, you can impose conditions - for example:

- A requirement to produce the original till receipt
- A requirement to return the goods unused and in unopened packaging
- A deadline for returns
- An offer to exchange or offer a credit note, but not to refund

You cannot impose these conditions where the consumer has a legal right to return goods. Where you state anything about your returns policy or guarantee, you must ensure that this does not mislead consumers about their legal rights. It is therefore good practice to state this explicitly - for example, 'This policy is offered in addition to your legal rights'.

If you want to let your customers know about your returns policy before they buy goods, take care to ensure that you do not mislead them about their legal rights.

You should also state clearly what you offer in addition to those rights. The following would be an acceptable returns policy for a retail shop that serves customers face-to-face:

Your legal rights
When you buy goods from a business, in law you have a number of rights as a consumer. These include the right to claim a refund, replacement, repair and/or compensation where the goods are faulty or misdescribed.

Our policy
In addition to your legal rights, we also allow you to return goods if you simply change your mind. Please return the unused goods to us with the original till receipt within 14 days and we will offer you an exchange or a credit note.

Can I limit my liability to a customer?

Consumers' legal rights cannot be taken away or restricted, and any attempt by a trader to do so by reference to an exclusion clause or similar notice is void and therefore unenforceable.

Under Part 4, Chapter 1 of the Digital Markets, Competition and Consumers Act 2024 (DMCCA), it is a criminal offence to mislead a consumer about their legal rights.

The following are examples of statements that are likely to mislead consumers about their rights:

- No refunds given
- Goods can only be exchanged
- Only credit notes will be given against faulty goods
- Sold as seen

Even the statement 'No refunds except where goods are faulty' would be illegal, as there are a number of cases where a consumer can claim a refund on goods that are not faulty (such as misdescribed goods).

Can I disclaim the statement or notice to make it correct?

It is a common misconception that statements such as those described above can be used if they are accompanied by a statement such as 'Your statutory rights remain unaffected'. However, where two contradictory statements are used together, they are still likely to mislead consumers about their rights; therefore, such a notice is likely to be illegal.

Consumer guarantees

The CRA sets out rules that apply when you give a guarantee on goods without extra charge. Any such guarantee must include the following particulars:

- The name and address of the person giving the guarantee
- The contents of the guarantee (what it covers, which countries it applies in, and what you will do when a claim is made)
- The duration of the guarantee
- How to make a claim
- A statement that the consumer has statutory rights that are not affected by the guarantee

You cannot use the duration of a guarantee to limit consumers' rights. Consumers are entitled to expect goods to remain of satisfactory quality throughout their reasonable life expectancy, so long as they are maintained correctly and not misused.

If you offer a guarantee, consumers can require you to provide a copy in writing. If goods are offered within the United Kingdom, the guarantee must be written in English.

Distance sales and sales made away from your business premises

Do I have to accept returns?

Under the CRA, consumers may be entitled to a refund, replacement, repair and/or compensation where goods are faulty or not as described. They are also entitled to a refund and/or compensation where the seller had no legal right to sell the goods. See 'Selling and supplying goods' for more detailed information.

When you sell at a distance or away from your business premises, consumers have additional rights, which may include the right to return unwanted goods (see 'Consumer contracts: distance sales' and 'Consumer contracts: off premises sales').

What can I say in my returns policy?

Your policy must reflect the additional rights of consumers buying at a distance or away from your business premises. For details of the required information, see 'Consumer contracts: distance sales' and 'Consumer contracts: off premises sales'. In these situations, you may wish to draw up a returns policy that includes:

- A summary of the consumer's legal rights where goods are faulty, misdescribed, etc
- Details of the consumer's legal right to cancel without giving a reason, usually within 14 days of the delivery of goods. You could make use of the model instructions set out in the legislation
- Whether the consumer must pay the cost of returning the goods (you must bear the return postal costs if this information is not given to the consumer before they place the order)
- Any additional rights you wish to give the consumer, such as a longer cancellation period than the legal minimum of 14 days

Can I limit my liability to a customer?

Consumers' legal rights cannot be taken away or restricted, and any attempt by a trader to do so by reference to an exclusion clause or similar notice is void and therefore unenforceable.

Under the DMCCA, it is a criminal offence to mislead consumers about their legal rights.

The following are examples of statements that are likely to mislead consumers about their rights:

- No refunds given
- Goods can only be exchanged
- Only credit notes will be given against faulty goods

- Sold as seen
- Returns are subject to a restocking fee (for example, 20%)

Can I disclaim the statement or notice to make it correct?

See 'Retail shop sales' above.

Consumer guarantees

See 'Retail shop sales' above.

The use of language in your returns policy, and how it is presented

Your intended audience should be able to understand both your returns policy and your terms and conditions. You should avoid using legal jargon wherever possible. If you need to use legal terms, explain those terms in plain language. British Standard ISO 21800:2025 *Guidance for organisations to increase consumer understanding of online terms and conditions* may help you to achieve this. Whilst the focus of the Standard is the presentation of online terms, the principles are relevant to other forms of business-to-consumer contracts.

When displaying your terms, whether in writing or online, use a font style and size that is easy to read. Consider the needs of your typical customer. For example, a business selling equipment for sight-impaired customers should offer the information in accessible formats such as large print. Other businesses should consider the accessibility of information too; it is a requirement of the DMCCA to recognise the needs of different types of consumers, including those who are in a more vulnerable position (see 'Protection from unfair trading (criminal law)'.)

Trading Standards

For more information on the work of Trading Standards Services and the possible consequences of not abiding by the law, please see 'Trading Standards: powers, enforcement and penalties'.

In this update

General detail added, including information about British Standard ISO 21800:2025.

Last reviewed / updated: September 2026

Key legislation

- Consumer Rights Act 2015
- Digital Markets, Competition and Consumers Act 2024:
    - Part 4, Chapter 1

Please note

This information is intended for guidance; only the courts can give an authoritative interpretation of the law.

The guide's 'Key legislation' links go to the legislation.gov.uk website. The site usually updates the legislation to include any amendments made to it. However, this is not always the case. Information on all changes made to legislation can be found by following the above links and clicking on the 'More Resources' tab.

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