Take Charge of Your Money

A University of Hawai'i Cooperative Extension Service Project

www.ctahr.hawaii.edu/tcym
Course Objectives

- Increase your knowledge about financial planning
- Improve your ability to make informed decisions
Take Charge of Your Money

Retail Merchandise Returns & Exchanges
Hawai'i Department of Commerce & Consumer Affairs

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Executive Director
Office of Consumer Protection
Lesson Objectives

- Understand retail returns and exchanges policy requirements
- Become aware of the Hawai'i State Statutes regarding retail and exchange laws
- Learn how the Hawai'i State Statutes protect consumers
Hawaii Revised Statutes § 481B-5.5 (2014)

- Establishes requirements for retail merchant return and exchange policies
- Check for revisions
Default Policy

- A retail merchant must accept returns or exchanges, for cash refunds or merchandise credit
- Unless it posts signage to notify customers of one of the permitted limitations on returns and exchanges
A return or exchange may be refused if:

- No proof of purchase, or other evidence of purchase is presented
- Purchaser has retained the goods for longer than 60 days
- Goods have been damaged after sale, or altered by the purchaser
- Goods are of a type unsuitable for resale
Permitted Policies

- Refunds only
- Refunds or merchandise credit only
- Exchanges or merchandise credit only
- No refunds, merchandise credits, or exchanges
- Specific limitations or exclusions on time periods or types of goods
Merchants must post their return & exchange policy conspicuously

- “[A] sign posted in the merchant’s place of business in a location reasonably calculated to bring the sign to the attention of purchases before a purchaser makes a purchase.” (emphasis added)

- HRS §481B-5.5(h)
Notification sign must state:

- “All sales final”; or
- “No returns for refunds, merchandise credits, or exchanges”; or
- Words or phrases of similar import

ALL SALES FINAL
If the return period is less than 60 days after the date of purchase, the merchant must post conspicuous signs to inform purchasers of the time limitation.
A merchant who excludes certain categories or types of goods from its return policy must post “one or more” conspicuous signs identifying the excluded categories or types.
Restocking, Repacking, & Transportation Charges

- Restocking charges are not permitted; however
- Repacking or transportation charges are permitted
- Repacking or transportation charges must be disclosed prior to the purchase
Statutory Return Policy: Deductions & Limitations

- A deduction may be made for repacking and transportation costs if the deduction policy is disclosed prior to purchase.
- Return policies that limit the right to obtain a refund do not apply if the returned goods were damaged or defective prior to being sold.
Merchants May Refuse IF

- There is no proof of purchase
  - Ex. sales slips, receipts, or other evidence of purchase
- The purchaser has retained the goods in excess of 60 days;
- The goods are used, damaged, or altered by the purchaser at the time of sale or after; or
- The goods are of a type unsuitable for resale
Any violation of HRS § 481B-5.5, or any act or policy that causes a compromise of the purchaser’s rights, is a per se unfair method of competition and unfair or deceptive act or practice (UDAP) pursuant to HRS § 480-2

Enforceable by the Office of Consumer Protection (OCP) and the Office of the Attorney General (OAG)
Contact for More Information

Office of Consumer Protection

- [http://cca.hawaii.gov/OCP](http://cca.hawaii.gov/OCP)

To file a complaint:

- **Consumer Resource Center**
  - Monday-Friday: 7:45 AM – 4:30 PM
  - Oahu: 587-4272 or 587-3295
  - Neighbor Islands: 1-800-468-4644 ext. 7-4272
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  - [www.ctahr.hawaii.edu/tcym](http://www.ctahr.hawaii.edu/tcym)
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We would like to thank the following groups for their support:

- University of Hawai'i at Mānoa
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  - Information Technology Services-Academic Technologies

- State of Hawai'i Department of Commerce and Consumer Affairs--Office of Consumer Protection