Traders Rights and Responsibilities

The stated purchase price of goods in a layaway plan should not be changed. Even if the goods that are being purchased were in a 'special' sale, the cost should remain the same throughout the specified period.

The condition and safety of the goods are the responsibility of the trader while they are in his or her care.

In a layaway plan arrangement, the trader would normally request a small deposit to the goods, but it may not be refundable should the consumer wish to change his/her mind about the purchase or fail to stick to the payment plan.

In other words, if the agreed payments are not made, the trader has the right to cancel the arrangement and put the goods back on sale. This should be clearly stated in the terms and conditions of the plan.

The trader is not obliged to allow the consumer to make an alternative selection after the arrangement has been made, but could do so solely at his discretion.

The trader should be contacted immediately if circumstances have changed and the consumer could no longer complete the payments. A refund would also be purely at the trader's discretion.

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FACTS ABOUT LAYAWAY

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What it is?

A **layaway plan** is an arrangement which generally appeals to consumers who are unable to pay for the goods immediately because of a very tight budget, or for those who may not be in a hurry for them.

It gives the consumer an extended period of time in which to complete payment without involving credit. There is no interest charge since this plan is not a credit **agreement.**

It is the common practice of traders to offer the facility of a lawaway plan. This is perhaps in an effort to attract more business by enabling consumers to pay for goods a little at a time.

Arrangement of Plan/Terms and Conditions

The seller agrees to hold the goods for the consumer for a specified period of time. This allows payment to be made by regular weekly or monthly installments as agreed to by both parties.

To ensure the smooth running of a layaway plan, a proper record must be kept in the form of a payment book/card which should include:

- ✓ A full description of the goods and the date on which the order is made.
- ✓ The purchase price, a layaway number, the amount of the deposit and a record of subsequent payments. Also, included should be the date of which the last payment should be made and the amount.
- ✓ The consumer should present this book/card to the trader whenever a payment is being made.
- ✓ Any penalty for late payment should be clearly stated, as well as arrangements or requirements for cancellation.