

Value for Money



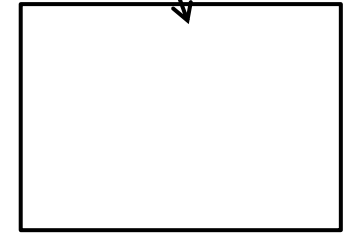
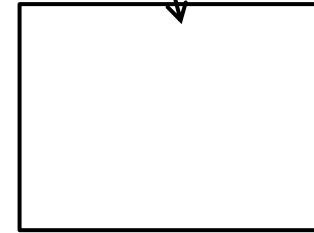
Naïve Theory



Buying Goods



Protected by Consumer Contracts Regulations 2013

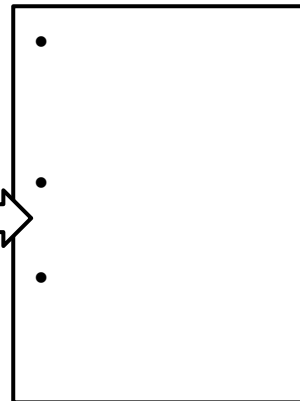


Topic 9: The real cost of spending

VAT (V A T)

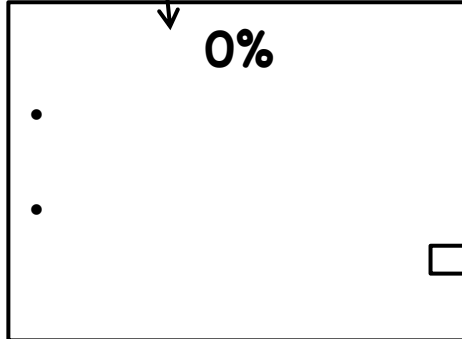
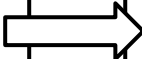
20%

Set by

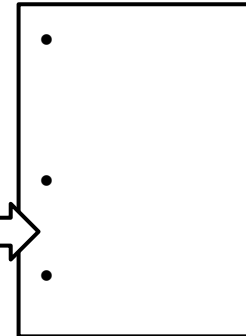
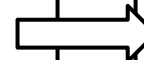


5%

Some items have VAT of 5%

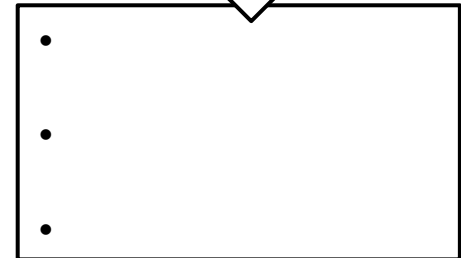


0%



VAT exempt

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Extra Notes...



Value for Money

The right quality product or service at the right price

Naïve Theory

When consumers know little about a product and create theories to fill the knowledge gap before deciding whether it's good value or not

Seller must publicise delivery and cancellation arrangements

Goods must arrive within stated time frame

Right to cancel order within 14 days

Buying Goods

Telephone & TV

Online

Shops

Protected by Consumer Contracts Regulations 2013

Once goods arrive buyer can cancel for any reason

Delivery costs must be refunded if order cancelled

Topic 9: The real cost of spending

VAT (V A T)

20%

Set by the Chancellor of the Exchequer

5%

Some items have VAT of 5%

- Domestic gas & electricity
- Sanitary products
- Children's car seats

0%

- Items that are not currently subject to VAT
- The chancellor could raise the level of VAT in the budget

- Children's clothing
- Some food
- Books

VAT exempt

- Not subject to VAT
- There would need to be a change in the law to add VAT to these items

- Insurance
- Finance and credit
- Charity fundraising

Extra Notes...