

New amendments of the regulation on consumer protection and alternative dispute resolution in Latvia

The year 2016 started with several major changes to the regulation on the protection of consumer rights in Latvia, including the issuing of loans and consumer claims regarding the non-conformity of goods.

Amendments of the Consumer Rights Protection Law established a stricter regulation on the issuing of loans (credits) to consumers and the conclusion of credit agreements, determining, for example, the honest business practice within credit agreements, the total credit costs for a consumer, and a prohibition against granting credits between 23:00 and 7:00.

The amendments also affected the regulation on consumer claims regarding the non-conformity of goods or services:

Firstly, there are amended provisions about what goods and services should be regarded as conformable with the provisions of the agreements. The duties of the service providers to provide the conformable services are now applicable also to those who improve or modify the movable goods or its quality.

Secondly, the parties are now allowed to use different methods and not only expert examinations regarding the examination of the conformity of goods.

Thirdly, the Consumer Rights Protection Law no longer provides the regulation on consumer rights and actions when the non-conformity of goods is discovered after six months from the day of purchase. The trader or the service provider is still responsible for each non-conformity of goods, which existed on the day of purchase of the goods, and if the non-conformity of the goods is discovered within six months after the purchase, it shall be deemed that this was the case on the day of the purchase. This assumption is accepted in cases where such non-conformity would be in contradiction with the nature of the goods or type of non-conformity.

What are the consumers' options now?

Regarding the consumer's possible claims, the consumer should first request the trader or the service provider to rectify the non-conformity or to exchange these goods for other goods, except for the situation where this is not possible or is disproportionate. The trader should satisfy this request free of charge and on reasonable terms without causing inconvenience to a consumer. Only if the trader is not able to do this, a consumer may claim an appropriate reduction of the price or a revocation of the contract and repayment of the amount paid for the goods. However, this claim is not possible in situations where the non-conformity is minor and cannot affect the use of the goods.

The changes in the settlement of consumer claims establishes the order where a consumer first has to submit his complaint to the trader, and the trader has to give an answer within 15 working days. If the trader refuses to satisfy the consumer's claim (including when there is no answer from the trader at all) or a consumer is not satisfied with the trader's offer, the following options are available to the consumer:

- to ask for help in the Consumer Right Protections Centre (which, however, is not making decisions in individual cases anymore);
- to seek for dispute resolution by the alternative methods (out-of-court dispute resolution that was implemented in July 2015);
- to submit a claim to the court;
- or to use the new option since March 2016: to claim a settlement of a dispute by the Commission on resolution of consumer disputes – an independent collegial institution, the activity of which is ensured by the Consumer Rights Protection Centre and which settles the disputes between a consumer and the trader free of charge. The decision of the Commission, however, has a nature of recommendation and should be executed by the own free will of the trader.



SERGEI PETROV
ATTORNEY AT LAW,
PARTNER

(+371) 67 313 315
SP@NJORDLAW.LV



DMITRI KOLESNIKOV
ATTORNEY AT LAW,
PARTNER

(+371) 67 313 315
DK@NJORDLAW.LV