



How to Create Terms & Conditions That Will Protect You and Your Business

Written by Nick Stallard & Leo Nieboer



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1. Introduction

Running a business can be really exhilarating. Creating your own product, designing a logo and making a nice profit are all things that will get your blood pumping and your juices flowing!

One of the tasks that probably won't give you much of a rush is creating your terms and conditions (Ts & Cs). However, it's got to be done.

Ts & Cs not only protect the customer, they protect you and your business.

99% of the time the customer will buy your product, you'll send it and you both go on your merry way. Your customer won't even look at your Ts & Cs.

However, there will be instances when it isn't plain sailing. What happens if the postman loses your customer's parcel? Or what do you do if your product breaks when it is used? When something unforeseen occurs, you will have your Ts & Cs to fall back on.

Ts & Cs will reduce uncertainties and make your business more effective.

They're also mandatory for many payment providers. Stripe and PayPal will examine your Ts & Cs. If these are missing or unsuitable – you will get blacklisted.

You might be thinking about downloading a template, but we would advise against this. **Ts & Cs are legally binding documents, so they need to reflect your business, your operations and your product.**

Don't worry, you don't have to consult a lawyer. Spend just a few hours on this important task and you will be able to create some Ts & Cs that will safeguard you and your business.

2. Terms and Conditions

Before you write anything it's worth thinking about the possible scenarios that could occur in the running of your business. Perhaps you sell fragile items; what will you do if an item arrives smashed? Or how will you proceed if you get a very awkward customer?

Ts & Cs that cover all of the possible scenarios will give you a leg to stand on when a problem occurs.

Also, treat your customers how you would want to be treated. Write in easy to understand English that treats both you and the customer fairly.



With all that in mind, make sure you include the following sections in your Ts & Cs.

2.1. Information Accuracy

We're all human, we all make mistakes, and you might have some on your website. So, start your Ts & Cs off with a section explaining although you try your best, there may be errors on your site.

Stores regularly hit the headlines when they accidentally list HD televisions for £30 instead of £300. The retailers often fail to honour the transactions and the buyers predictably go berserk. However, the retailers are well within their rights, because they point out that pricing errors do occur.

Here's H&M's disclaimer in their Ts & Cs:

"We do our best to ensure that information on the site is complete, accurate and current. Despite our efforts, however, information on the site may occasionally be inaccurate, incomplete or out of date. All specifications, products, descriptions and prices of products on the site are subject to change at any time without notice. We make all reasonable efforts to accurately display the attributes of our products, including the applicable colours. However, the actual colour you see will depend on your computer system, and we cannot guarantee that your computer will accurately display such colours."

2.2 Terms of Sale

This section should clearly set out the terms for how products can be purchased, and what customers will receive. A lot of companies will insert a clause saying that by using the website and purchasing a product they are agreeing to the Ts & Cs that have been laid out. The following section is included in Happy Socks' Ts & Cs:

"We ask that you abide by the terms and conditions that follow, along with any terms and conditions that may appear on the Site from time-to-time (collectively, the "Conditions"). Your use of the Site constitutes your agreement with the Conditions that follow and we reserve the right to revise these Conditions at any time". When we make changes, we will post them here. You agree to check this section periodically to be aware of any changes and your continued use of the Site shall be considered your agreement to any modified Conditions. If you do not agree to these Conditions, please do not use the Site."

2.3 Cancellations and Returns

Research shows that around 10 to 20% of goods purchased online will get returned. For certain products such as clothing and shoes, you can expect an



even higher number of returns. So, you will need a robust returns policy in place.

A clear and concise returns policy will reassure your customers. A report by eMarketer found that 50% of shoppers won't buy a product if they think a company's returns policy is too strict.

You need to find a correct balance between protecting your business and looking after the customer.

Here's part of a returns policy from Nike:

"You may cancel any order free of charge and without giving us any reason, provided it has not yet been shipped. We begin processing orders placed at our online store almost immediately. If you wish to cancel your order, please check the status of your order first by visiting the "Order status" link at the top right of the Website. Customized (NIKEiD) orders cannot be cancelled before shipment, because we start building the customized (NIKEiD) products immediately after receiving the order."

As you can see - customised products can't be returned, presumably because they can't be re-sold. So think about all the special features and unique characteristics of your products. If there is anything that will affect how or if they can be returned, make sure you explain this in your Ts & Cs.

"If we notice an unusual pattern of returns activity that doesn't sit right: e.g. we suspect someone is actually wearing their purchases and then returning them, ordering and returning loads – way, waaay more than even the most loyal ASOS customer would order or the items returned don't match what you ordered – then we might have to deactivate the account and any associated accounts."

Even though you are writing Ts & Cs, you can speak in plain English like ASOS in the above section. If people get confused when reading your Ts & Cs, misunderstandings will arise.

Also, be aware that under *Consumer Contracts Regulations 2013*, customers have the right to cancel their online order until 14 days after they receive their goods. They also have the right to a full refund within 14 days of their goods being returned. For more information visit www.gov.uk/accepting-returns-and-giving-refunds.

2.4 Delivery and Timelines

Delivery is where lots of things can go wrong because your products are in the hands of a third party. The first thing to specify, is when you send purchased items. Will you send products the same day? If so, what is the cut-off for orders? Will you send products on a Saturday?



If you have different delivery bands, you can give a rough estimation of how long parcels should take.

When customers purchase your products online, they expect swift delivery. When you don't meet their expectations, they will get unhappy so don't leave out any details.

What will you do when items get lost, arrived broken or are severely delayed? Clearly state what the procedures is when problems such as these occur, like Ikea below.

"When will I receive my parcel delivery?"

In the shopping cart, you will receive an estimated delivery date. Please note that this is not a guaranteed delivery date for your order. Some areas may take longer due to the frequency of deliveries to the delivery zip code. When placing your order, order processing and transit time are used to calculate the estimated delivery date.

What am I responsible for upon delivery of my parcel?

Examine your order upon delivery to ensure that there are no visible signs of damaged, missing or incorrect pieces. In the event that there are missing, damaged or incorrect packages, please contact us within 48 hours of your delivery."

2.5 Use of Goods

Do you sell products that could cause side-effects such as supplements, vitamins or beauty products? Make it clear that you cannot be held responsible for any loss or injury when a customer doesn't follow your product's recommendations and warnings.

Provita Healthcare has a clear and concise section in their Ts & Cs that explains the extent of the company's liability when an injury has occurred:

"The Goods are sold as food supplements or as products for external use and are warranted as being fit for this purpose only. Where the Company provides the Customer with information or advice to ensure that the Goods will be safe the Customer agrees to use the Goods in accordance with this information. Other than the Customer's statutory rights the Company shall not be liable for injury or loss suffered by the Customer where the Customer fails to follow the Company's conditions, recommendations or warnings. The Customer should seek medical advice if they are in any doubt about their health condition and the suitability of the goods in this respect."

2.6 Discount Codes

Will you offer your customers discount codes or run any loyalty programmes? If so, you should make it clear that codes and discounts should not be misused.



Here's a section from ASOS's Ts & Cs:

"If you're given a unique Promo Code that is meant just for you (e.g. a student Promo Code) please keep it secret and don't let anyone else use it or abuse it (e.g. don't post it on social media). If we think there is or has been misuse of a Promo Code in any way (e.g. selling it or sharing it with others), we can cancel your Promo Code and/or suspend or even close your account without telling you."

2.7 Payment Terms

You can also stipulate what payment methods you accept, when customers can expect refunds and how you will handle payment disputes. Your payment will be handled by a third party such as Paypal or Stripe. As such, your customer should understand that payments and refunds are out of your hands and take time to be processed.

You could write something similar to Etsy:

"Etsy partners with Worldpay, PayPal, Adyen, and other licenced payment providers to facilitate card payments and other payments and the disbursement of funds to sellers. The provider and processing time for your payment will vary based on the country in which you're located."

3. Conclusions

These are some of the most important sections that you will need to include in your Ts & Cs. Go through each section and ensure that your Ts & Cs reflect your business and your product.

Remember to write in plain English, and structure your Ts & Cs logically. In the day to day running of your business, things will change, so update your Ts & Cs accordingly.

Consent is important. Customers may argue that they haven't agreed to your conditions, so you can always insert a tickbox before an order is placed.

Drafting Ts & Cs isn't the most glamorous task. However allocate just a few hours to this job, and you will save yourself serious headache if PayPal come calling and find your Ts & Cs not up to scratch.