



## No return: How people with mental health problems are paying the price for poor returns policies

### Introduction

Most of us occasionally buy things that we later regret. Thankfully, we benefit from strong consumer protections which give us 28 days to return online purchases - 14 days to notify the seller, and 14 more to send it back. So, in theory, an impulse shop in a flash sale shouldn't lead to financial harm.

For people with mental health problems, however, impulse shopping can be a more serious problem. Shopping can be bought in one click in the middle of the night, but returns policies prove impossible to navigate.

### Why are people with mental health problems more likely to buy things they regret online?

While online shopping can be a life-line for people who struggle to leave the house due to a mental health condition, it can also make it easier to spend more than you can really afford on impulse. People with mental health problems are twice as likely to always or often regret online purchases,<sup>1</sup> and more than half of people (51%) who have regretted an online purchase say that flash sales like Black Friday play a role in their choices.<sup>2</sup>

Mental health problems can affect our decision-making in a range of ways, including:

- Increasing impulsivity, so it's harder to resist temptation to buy something
- Reducing our ability to process lots of information, or pay attention for a prolonged period of time, which can make setting up a budget and keeping track of spending harder

- Impairing our short-term memory, meaning remembering what you've spent is more difficult
- Reducing our motivation to engage. If someone is struggling to undertake basic self-care like washing and eating enough, completing other tasks like taking a parcel to the post office can be practically impossible.

For people in this difficult situation, fair returns policies can be essential to managing impulse spending, and avoiding financial difficulty.

### What are our rights when buying online?

In most cases, the Consumer Contracts Regulations 2013 give consumers the right to cancel an online order and get a refund, unless goods are bespoke, perishable, media content (like films or newspapers), or there is a hygiene risk. The consumer has 14 days to cancel the order, and then a further 14 days to return it. If consumers aren't told about these rights in writing, then they have a year and 14 days to cancel. Customers must be refunded within 14 days of the seller receiving the returned goods, and the refund must include the cost of the least expensive delivery option.<sup>3</sup>

However for many people experiencing mental health problems, returning products is not as simple as it should be. Three quarters (76%) of people with a mental health problem who regretted the last thing they bought online didn't return it,<sup>4</sup> with nine in ten survey respondents reporting that not returning goods has a negative effect on their finances and their mental health.<sup>5</sup>

To help people avoid this harm, we need to ensure it's as easy to return things as it is to buy them online - and that people with mental health problems are not at a disadvantage.

### How easy is it to make a return?

We examined the returns policies of the UK's top 50 retailers (Retail Week Top 50 UK retailers by overall annual sales revenue 2015/16), drawing on the information available on their websites. When looking for returns policies, we examined the main page on each retailer's website where returns information was provided. While further details may be offered in technical terms and conditions, these are often dense, hidden and difficult to read, so we focused on the information that firms make immediately accessible to consumers looking to make a return.

Many retailers are more generous than statutory requirements, which require online shops to give customers 14 days to inform them that they wish to return a product, and 14 days from this point to send the item back.<sup>6</sup> 18 of the top 50 retailers (36%) offer more than 28 days to return an unwanted item, with some offering significantly longer.

However, we also identified 11 retailers with misleading or unclear returns policies - more than one in five of the top 50. Some of these policies suggested that consumers had to return unwanted items within 14 days, rather than simply notifying the retailer within this timeframe. Others made clear that the customer had to notify them within the statutory time period, but did not offer any further details on how to do so, or what would happen afterwards.

We found that:

- Six firms said that the item had to be returned within 14 days, without any mention of the consumer's right to notify in the first 14 days and return within a second 14 day period.
- Five only said the consumer had to notify them of their desire to return a product, without any information about how to make a return or the timescale. Of these, one retailer stated that consumers only had seven days to notify them, not the statutory 14.

### What difference do mental health problems make?

#### Time to act

Short timeframes for returns can be particularly

difficult for people experiencing mental health problems, which can make it more difficult to find the motivation to contact the retailer and organise returning the goods, or even just to leave the house to go to the post office.

*"Sometimes the return period has been shorter than I thought it would be and I haven't been able to get to the post office in time due to being unwell. This has left me short on money."*

*"I always go over the 28 day return policy that most retailers allow... if my mood is low then I can't be bothered to shower let alone deal with such matters."*

People experiencing mental health problems are also more likely to feel ashamed about unwanted online purchases,<sup>7</sup> with more than a quarter (28%) saying this influenced their decision to not return the last thing they regretted buying online.<sup>8</sup> Short returns timelines give people less time to manage these thoughts and feelings and organise a return, and can leave people facing financial strain as a result.

*"Impulsive spending is usually a sign that my mental health is slipping, therefore I am at my least able to be organised and effective in returning items on time. I also feel embarrassed about this behaviour so avoid things, the return by date often passes and I have been in overdraft because of not being able to return items."*

Some stores will accept returns which are outside their usual policy if the customer discloses that they have been experiencing a mental health problem. However, for many of the people who responded to our survey, the sense of shame they felt about their shopping behaviour meant they wouldn't even contemplate returning the item, never mind asking for discretion to do so.

#### Financial difficulty

People with mental health problems are three times as likely to be in financial difficulty,<sup>9</sup> so the cost of postage can be a major barrier to returning a parcel. Half of people with mental health problems (49%) who didn't return their last regretted online purchase said this was because postage was too expensive.<sup>10</sup>

In some cases this leaves people stuck with goods that are unsuitable, unable to afford a replacement or the postage on a return. While half (50%) of the retailers we reviewed did offer to pay for postage, 34% did not, and a further 16% only allowed returns to be made in store, through a local parcel collection

service like Collect+ or MyHermes or by courier.

"If postage isn't included I sometimes cannot afford to return items. I got in such a lot of debt from making unaffordable purchases for the feeling of buying."

### Leaving the house

For some people with mental health problems, physically getting to the post office to return an item can be difficult, particularly if they experience agoraphobia or social anxiety. Four in ten people (39%) with mental health problems who didn't return the last thing they regretted buying reported that getting somewhere to post it was too difficult.<sup>11</sup> For people with these conditions, online shopping can be one of the only ways of buying things - but returns can be a nightmare.

"I'm agoraphobic, and have nobody I can rely on to go to a post office to return an item. Arranging collection can also be a struggle."

While a growing number of retailers offer local parcel collections services like Collect+ or MyHermes, these can also be difficult for people experiencing mental health problems to access, as they are usually based in shops. A small number of retailers also offer to pick returns up from a customer's home, which can be more effective when people are unwell.

Respondents also mentioned how relatively small barriers could be enough to prevent them from returning an item - like needing to print a returns label at home, when they didn't have a printer, or needing to find something to wrap the parcel up in because the initial packaging couldn't be reused.

"I felt too stressed by the process of returning the item especially as I've no access to a printer to print returns labels."

### Make it as easy to return an item as it is to buy it

Retailers work hard to make it as easy as possible for us to buy things, and to convert as many clicks as possible into cash. Often it's far easier to buy something than it is to return it - which can cause particular problems for people experiencing mental health problems.

We want to see retailers taking steps to ensure that people with mental health problems are equally able to exercise their consumer rights.

## Recommendations

1. Make clear that a customer always, by law, has 28 days to return an item purchased online, unless it's personalised or perishable (14 days to cancel the contract, and 14 days to return the item). This information should be in a retailer's headline returns policy, not hidden in terms and conditions, to minimise the psychological distress caused by people thinking they have missed their opportunity to return something when they still technically have time.
2. Pay for postage on returns, so financial difficulties don't become self-perpetuating.
3. Ensure customers have everything they need to return an item easily, including a return address label and printed returns form.
4. Offer a range of options for returns, including local parcel collection services and couriers.

## Footnotes

<sup>1</sup> Money and Mental Health analysis of online survey of 2,051 people, carried out by Populus 9-11 December 2016. Data is weighted to be nationally representative.

<sup>2</sup> Money and Mental Health analysis of online survey of 2,051 people, carried out by Populus 9-11 December 2016. Data is weighted to be nationally representative. Base for this question - all those who shop online and have ever regretted a purchase (1,694).

<sup>3</sup> The Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013. There are exceptions to these regulations specifically around perishable or personalised goods, and those where return could involve a hygiene risk like pierced jewellery or underwear.

<sup>4</sup> Money and Mental Health analysis of online survey of 2,051 people, carried out by Populus 9-11 December 2016. Data is weighted to be nationally representative. Base for this question - all those who shop online, have ever regretted a purchase and have experienced a mental health problem in the last two years (306).

<sup>5</sup> Money and Mental Health survey of 230 members of their Research Community, a group of 5,000 volunteers with lived experience of mental health problems. The survey was carried out online between 19 October and 13 November 2018.

<sup>6</sup> The Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013. There are exceptions to these regulations specifically around perishable or personalised goods, and those where return could involve a hygiene risk like pierced jewellery or underwear.

<sup>7</sup> Money and Mental Health analysis of online survey of 2,051 people, carried out by Populus 9-11 December 2016. Data is weighted to be nationally representative. Base for this question - all those who have regretted a purchase and not returned it (1,268).

<sup>8</sup> Money and Mental Health analysis of online survey of 2,051 people, carried out by Populus 9-11 December 2016. Data is weighted to be nationally representative. Base for this question - all those who have regretted a purchase and not returned it and experienced a mental health problem in the last 24 months (248).

<sup>9</sup> Jenkins R et al. Debt, income and mental disorder in the general population. *Psychological Medicine* 2008; 38: 1485-1493.

<sup>10</sup> Money and Mental Health analysis of online survey of 2,051 people, carried out by Populus 9-11 December 2016. Data is weighted to be nationally representative. Base for this question - all those who have ever regretted a purchase but did not return it and have experienced a mental health problem in the last 24 months (248).

<sup>11</sup> Money and Mental Health analysis of online survey of 2,051 people, carried out by Populus 9-11 December 2016. Data is weighted to be nationally representative. Base for this question - all those who have ever regretted a purchase but did not return it and have experienced a mental health problem in the last 24 months (248).