


Learn About Consumer Protection Laws in Costa Rica

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For many years, the relations between consumer and merchants in Costa Rica were fundamentally by both the Code of Commerce and the Civil Code by applying generic commercial trade rules. It was that way until 1996 when Constitutional Status was granted to the protection of consumers' rights by introducing an amendment to article 46 of the Constitution, which basically says "All consumers have the right to the protection of their health, environment, security and economic interests; to received adequate and truthful information; to the freedom of choice and equal treatment".

The said amendment was complemented by law number 7472, known as Consumer Protection Act, which brought specific rules in order to protect the rights and interests of the consumers. The main principle it contains is known as in ***dubio pro consumer*** meaning that in case a conflict arises and the facts are not clear it is mandatory to rule in favor of the consumer or buyer. Article 34 of this law establishes a number of obligations for traders and business owners such as: provide accurate information, grant a minimum of thirty business days warranty, sell quality products and inform if sold assets are brand new or refurbished.

The law defines a merchant as "any physical or legal person, public or private, that on a regular basis distributes, sells, leases, or offers products or services, even if that's not the main activity". This definition embraces both physical personas and corporations, and also includes wholesalers as well as governmental institutions such as INS -insurance company, ICE – telephone, internet and electricity provider, BANCO NACIONAL and BANCO DE COSTA RICA -State banking services. The Consumer Protection Act prohibits acts that cause damage to consumers by creating confusion or making false publicity.

Now all merchants are required to adjust their practices in order to match the current rules or they can face severe fines and penalties. It is well known that many companies such as building contractors, car rental agencies, appliance/ electronics stores, time shared hotels and real estate developers, among others, have abusive clauses in their rental agreements and purchase contracts. Some building contractors never finish projects on time or on or under budget. Some car rental companies fail on informing their customers what to do in case of an accident, and after just replacing the car they wait until the client has left the country to later try to charge the full repair cost on the provided credit card.

It is very important to note, any consumer complaint will lapse after two months from the last event that originated any conflict with the merchant. This to start a complaint in front of the corresponding authority. Another interesting point in relation to this new law has to do with doorstep sales (a good example could be the purchase of products that are advertised on TV) where a retraction right are granted to consumers. That means that any buyer who has a last-minute change of mind can legally return any purchased product within 8 days from delivery

date, as long as the product remains on unused condition, so the purchase price will be reimbursed.

Nowadays affected consumers have the right to sue these dealers by means of the Consumer Protection Act which offers the possibility to choose between two different ways to confront the same issue:

1. File a complaint in front of the National Consumer Commission, a branch of the Ministry of Economy. Their website <https://www.consumo.go.cr/> . In this case and administrative procedure will start granting both parties the right to present all kind of valid evidence and witness testimonies when a verbal hearing takes place. This Commission has the faculty to impose fines against any merchant and to order the repair, substitution of products or restitution of the price paid for an article or service. Its is important to take in consideration that under no circumstance might the Commission grant claims different from the ones stated above, such as: damages, legal costs, interest and similar. It is also important to remember the two months term because of the statute of the limitations above mentioned.

2. Start a lawsuit in front of a Civil Court by means of a summary process, where a larger number of pretensions can be filed, including but not limited to reimbursement or purchase price, damages, legal costs and interest. Another advantage with this option is that it offers a wider term before the possibility to do so lapses. Given that this civil lawsuit can be presented at the nearest Civil Court, it might be a good option for Expats living outside the central valley, since the National Consumer Commission offices are located in San Jose.

It is important for all consumer to obtain as much information as possible concerning any product or service that they might be interested in, to pay attention to the small print on any contract before signing it and to always demand a warranty and a proof of payment from any seller; but if something goes wrong the law might be on their side. In the same way merchants need to adjust their practices as well as provide clear information to their customers to avoid any potential contingencies. Also, merchants need to have organized records of sales and negotiation with clients to avoid losing a claim for the existence of the in ***dubio pro consumer*** principle mentioned above.

About the Author: Allan Garro was incorporated as a lawyer and public notary in 1996. He specializes in Litigation, Corporate and Real Estate Law. He has also acted as external legal consultant to Congress. He has been the author of more than 100 published English Language articles and can be reached at [\[email protected\]](#)