



Small business guidance about refunds and cancellations due to COVID-19

2 April 2020

Businesses will need to be aware of their rights and obligations when managing refunds and cancellations because of COVID-19, and the ACCC has [issued guidance](#) to assist small businesses to understand their rights and obligations under the Australian Consumer Law.

“We know a lot of small businesses are facing a very challenging time, but they still want to do the right thing by their customers,” ACCC Deputy Chair Mick Keogh said.

“In the past couple of weeks, we have received over 100 contacts from small businesses about the impact of COVID-19 and their rights and obligations. We have developed this guide to help reduce any confusion.”

“At the same time as handling requests from their own customers, small businesses may also be customers themselves. We want to make sure they are aware of their rights when dealing with other businesses,” Mr Keogh said.

The guide outlines small business rights and obligations relating to issues such as cancelled functions and events, pricing of goods and services, and charging subscription and membership fees when the business is not operating.

The ACCC is encouraging customers to be patient and to treat staff respectfully as businesses deal with these requests during these extraordinary times.

One of the key areas where small businesses want information is the cancellation of large events like weddings. Government restrictions on public gatherings mean larger weddings are likely to be cancelled and customers might seek a refund.

Businesses are reminded that they must honour the terms and conditions of their contracts with customers.

“As a business, if you are unable to provide goods or services during this time, you have the opportunity to work with your customers to find a mutually agreeable alternative arrangement,” Mr Keogh said.

“This could include providing a partial refund, a credit note or voucher, or rescheduling to supply the services at a later date where this is possible.”

“It is important for small business to understand their obligations when handling requests from consumers. Failure by any business to honour its cancellations or refunds policy may constitute misleading conduct under the Australian Consumer Law,” Mr Keogh said.

The ACCC’s [guidance for consumers](#) may also be relevant for small business, which, under Australian Consumer Law, may be legally defined as consumers when engaging with other businesses.

Small business can contact the ACCC via our [online form](#).

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