



The Sale of Goods Act in business between two consumers

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<p>Abstract:</p> <p>This thesis is about the Sale of Goods Act and how it works in business between two consumers. The research question is whether people understand that it is the Sale of Goods Act which is used in business between two consumers. The Sale of Goods Act is explained, and the Consumer Protection Act will also be explained in this thesis. The references in this thesis are web-based sources, the most important ones are the Sale of Goods Act and the Consumer Protection Act. In this thesis the focus lies on online flea markets, not physical flea markets. The Sale of Goods Act is used in business between two legal persons and in business between two consumers. The Consumer Protection Act is used in business between a legal person and a consumer. The research was done through a questionnaire which was distributed through Facebook and email. The questionnaire had 252 participants. One limitation for the questionnaire was due to the fact that most of the answers came through one Facebook-group, so the result may be seen as bias. But the participants varied in age, gender, occupation and so on. The answers to the questionnaire told us that the majority of the participants has been involved in business between two consumers. The biggest channel that they had used was Facebook and the second was Tori.fi. The majority had been involved in business between two consumers less than five times. When asked which law the participants think that is used in business between two consumers, the majority answered the Consumer Protection Act, when in fact it is the Sale of Goods Act. The majority did not know the difference between the two acts. The majority of the participants are familiar with the Consumer Protection Act but not with the Sale of Goods Act. The answer to the research question is that the majority of people do not know what law should be followed in business between two consumers. They think that it is the Consumer Protection Act but in fact it is the Sale of Goods Act.</p>	
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<p>Sammandrag:</p> <p>Detta examensarbete omfattar Köplagen och användningen av den i handel mellan två konsumenter. Undersökningsfrågan är om människor förstår att det är Köplagen som beaktas i handel mellan två konsumenter. I detta examensarbete förklaras skillnaden mellan Köplagen och Konsumentskyddslagen. Källorna i detta examensarbete är nätkällor, varav de två största är Köplagen och Konsumentskyddslagen. I detta examensarbete fokuseras det på näthandel mellan två konsumenter och största fokuset ligger på Facebook och Facebook-lopptorg. Fysiska lopptorg tas inte i beaktande. Köplagen gäller i handel mellan två juridiska personer och mellan två konsumenter. Konsumentskyddslagen gäller i handel mellan en juridisk person och en konsument. Undersökningen gjordes via ett frågeformulär. Frågeformuläret delades via Facebook och e-post. Frågeformuläret besvarades av totalt 252 personer. En begränsning för undersökningen är att formuläret delades via Facebook och svaren därmed inte kan anses helt representativa. De flesta svaren kom från medlemmar i en Facebook-grupp, men å andra sidan representerar de båda könen och olika åldersgrupper med olika livssituationer. Av svaren i formuläret framgick det att de flesta av respondenterna har varit med i handel mellan två konsumenter, endera som säljare eller som köpare. Den största kanalen som de har använt sig av var Facebook och näst största näthandelskanalen var Tori.fi. De flesta situationer har gällt handel mellan två konsumenter, majoriteten av respondenterna uppger att det har varit fråga om färre än fem gånger. När det fråge ställdes om vilken lagstiftning beaktas i handel mellan två konsumenter svarade majoriteten av respondenterna att det är Konsumentskyddslagen som tillämpas, då det i verklighet är Köplagen. Majoriteten visste inte skillnaden mellan Köplagen och Konsumentskyddslagen. Majoriteten är bekant med Konsumentskyddslagen men inte med Köplagen. Svaret på undersökningsfrågan är att majoriteten av människor inte vet vilken lag som skall tillämpas i handel mellan två konsumenter. De tror att det är Konsumentskyddslagen då det i verklighet är Köplagen.</p>	
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1 INTRODUCTION

The chosen topic for the thesis is The Sale of Goods Act and how it works between the business of two consumers. The aim of the research will be to find out whether people understand the fact that the Sale of goods act is used between the business of two private individuals or also known as consumers. In this thesis this will be explained, the Sale of Goods and the Consumer Protection act's, will be explained and the difference between them.

The need to investigate is if people would initially think that the act of consumer protection would be the one to turn to. Why is it that two people are considered as two legal entities?

The question at hand is getting more and more important with the rising popularity of social media. There are online thrift shops, or also known as online flea-markets, between two (or more) consumers and as sad as it sounds there are often people that get misled or even cheated on due to the seller not being authentic and honest. Then the buyer starts to look into the law, and often they first at the Consumer Protection Act, and that act primarily protects the buyer. This is not the case with the sale of goods act. The Sale of Goods Act does not show favoritism to one party, it leaves things impartial, and often states that one should resume to the contract of the actual deal at hand (*Kauppalaki, 2017*).

The aim of the research will be whether people understand the fact that it actually is the Sale of Goods Act which will be the jurisdiction between the business of two consumers or if they think that it is the Consumer Protection Act, they should turn to.

Is it that people often tend to lean on The Consumer Protection Act? And do they actually think that or is it commonly known that it is The Sale of Goods Act that is used when dealing with the jurisdiction of business between two consumers.

The research question will be, do people understand that it is The Sale of Goods Act that is used between the business of two consumers instead of the Consumer Protection Act and how does this work in real life? What is the difference between the Sale of Goods Act and the Consumer Protection act?

Why exactly is it that two consumers are considered as legal entities and what are legal entities?

1.1 Expected results

The expected results are that not all people will know that it is the Sale of Goods Act that is used in the business between two private consumers. The expected result is that most people tend to think that it is the Consumer Protection Act, which is used when dealing with twists and looking into the law of business between two consumers. The expected result may be proven wrong.

The results will come from the theories given in the collected data and from the survey and from the empirical research. The theory used, and the result will go hand in hand and correspond to each other.

If the discussion forums would be more detailed looked at, they would in most cases support the hypothesis. But this also varies from what year the answers to the forums have been written. The question at hand and the answer to the question is being more recognized as time goes by and with people reaching out to the authorities when they think that their business or purchase has had errors.

2 LITERATURE REVIEW

Sources that could be found, but that cannot be used in this research, were from discussion forums. In these forums were question's and comments from people who were wondering what act they should turn to, that had been victims of scamming for example on a Facebook flea market. These kinds of sources could not be taken into consideration due to the fact that they were not experts, the writers were often anonymous and they were not scientific in any way. But as stated there is not a lot of sources that look into this particular problem. It is not possible to look into other countries articles or researches due to the fact that each country has its own legislation, and what is followed in for example Norway may not be followed in Finland.

The first information that is gathered is general information about the acts at hand, the Sale of Goods Act and the Consumer Protection Act. In order to understand the actual thesis, there will have to be a general knowledge of these both acts and what a consumer actually is.

2.1 Data

The data is collected through the internet. The thesis holds a survey, and in that case, there will also be data that will be directly collected from the survey and the people's answers. The survey conducted should have enough answers, at least 100, in order for it to be valid.

In the thesis, the data that was used was mostly data that was found from the internet. The literature that is presented is what the actual facts are, due to the fact that this topic has not been studied before.

The material and data that was gathered was mostly secondary data, primary data was through the survey. Secondary data was proven to be quite difficult to find, due to the fact that this has not been researched much before.

The best way to get some new data was through a survey, in this way the audience was be as broad as possible, compared to a few interviews. The survey will have to consist of easy to answer questions, so that the result would be as clear as possible. There is not for say a need to consult experts with this research, because the question lies within private individuals who themselves are no experts either at jurisdiction or business. The majority of the survey participants answered the survey through a single Facebook group on. People who belong to the same Facebook group can be similar and see things in a similar way, so there is a possibility that the survey is self-selection bias.

One of the most important data is the Sale of Goods Act (Kauppalaki. 1994) and the Consumer Protection Act (Kuluttajansuojalaki. 2017). The Sale of Goods Act is quite often updated. The original Finnish text of the Sale of Goods Act (Kauppalaki. 1994) was used. The information is updated throughout the years and is up to date. There was found at translation of the act, but it was not up to date, it was a translation from 1990. That is why only the original Finnish text is only used, since that is updated more often than the unofficial translation. The Sale of Goods Act is available in Finnish and in Swedish, unfortunately not in English.

2.2 Previous research

The major schools in Finland that research these types of questions are law schools. In Finland, these schools are the University of Helsinki and the University of Turku. Then there are a few other schools in Finland that provide an education in law, but these are the major two. The unfortunate truth is that there was not many articles or research done on this subject. There were a few articles that shortly stated this problem at hand, such as the article written by *Jarkko Männistö*. 2014. Jarkko Männistö is an attorney, a Doctor of Law and a vice judge, that is why his blog is used as a reference in this thesis, and his opinions are considered as facts and accurate (*Jarkko Männistö*. 2017.).

2.3 Sale of Goods Act

The Sale of Goods Act is one of the biggest jurisdictions in Finland, it evolves so much in it. The act, as named Sale of Goods act has been around since 27.3.1987 and there has been a few changes made to it since that date, but not many. The Sale of Goods Act is used in business between a legal person and another legal person, a legal person and private person (or also known as a consumer) or a private and another private person. A legal person is a company or an entity with legal rights (*Oxford dictionaries*. 2017.) And a private person, or consumer, is a person that is not a corporation, who is not accountable for anything else than themselves and their own actions. (*Kauppalaki*. 1994.)

The Sale of Goods Act does not show favoritism to either party, not the seller nor the buyer. The act often says to follow the purchasing contract, if both parties have agreed to the contract and it follows the actual law then if there are any misunderstandings the parties should look at the contract. One of the main differences between the Sale of Goods Act and the Consumer Protection Act is just this, because the Consumer Protection Act does protect in a way the weaker party, being the consumer (the private person) and therefore does assume that the stronger party is the company (the legal person). (*Kauppalaki*. 1994.)

Because the Sale of Goods Act does not show favoritism, and both parties are equal it should be applied with business between two private individuals. It does not show

favoritism because both parties should have the equal amount of information of how business works. To know who benefits more from the business depends on the negotiation skills of both parties and what has been written in the contract. The most crucial part of the Sale of Goods Act is when the delivery of goods is. The delivery is where the responsibility changes. If not said other in the contract the goods have been delivered when they have reached another city, the city border is where the sellers responsibility stops and after the border the buyer has “received” the goods. This can be changed in the contract, but if it has not been mentioned when the goods are seen as received then it will be once it has gone outside the city borders. But as stated the parties can alter this responsibility in the actual contract, they can decide that the seller’s responsibility ends when the goods have been given to the possible carrier, when the goods have been delivered to the buyer’s location or even when it has been delivered at the buyers locale and has been confirmed by the buyer that the goods have been received. As said there are many different ways of agreeing when the responsibility of the goods sold will transfer. In the act, this is called the “Passing of risk”. (*Kauppalaki. 1994.*)

The seller should always inform the buyer of the state of the products, and if it has any faults, for the kind of errors that may be seen when the product has not been released to the buyer. The buyer also has the responsibility to check the product, after it has come to his possession, and if they find a fault or an error should the buyer within a reasonable time inform the seller of this possible error. The timeframe of the reasonable time has not been specified in the actual act. (*Kauppalaki. 1994.*)

If the product description already had mentioned this error or problem, the seller does not have to take any action to please the buyer because the buyer is already aware of this issue and cannot later on complain about it. This is what is referred to in the act as “Sold as it is” -part, which means that the seller has put in the description or contract that the goods are sold in the condition as they are. This makes it harder for the buyer to complain of errors. However, there are three exceptions to this description of where the buyer can complain about the product. The first one being if the product does not match the rest of the description the purchase or the contract or that the products features does not work as the a described and that the error of the product would have had an impact on the purchase in the first place. The second exception is if the seller has neglected to tell the buyer of a feature or a circumstance of the product that does not work or fit the description correctly, which the seller knows of and the buyer can provenly think that they should have been

informed of before the purchase. This neglect must be proven to have an impact on the actual purchase for it to be considered an error. The third exception is if the product is in worse condition than the price and considering the other circumstances. If a product is sold through an auction, it is considered “sold as it is”. (*Kauppalaki. 1994.*)

If the purchase gets cancelled from either of the parties the seller is obligated to return the item that was purchased to the seller. If the buyer has had financial benefit of the product before it was given back or if they had any other kind of benefit of the product should the buyer pay for compensation to seller of equal worth. If the seller has to pay for the product back the purchasing price, should they also pay for interest, starting counting from the day that they received the payment from the buyer. (*Kauppalaki. 1994.*)

The sale of goods act does not have a specific time for when it is too late to announce of a mistake or error. The buyer should check the product once the product has been delivered, he cannot either announce an error that the buyer should be aware of when making the contract or if the seller has asked the buyer to check the product within a specific time and the buyer has neglected this. If the product at hand has an error that occurs after the purchase, the responsibility has to be evaluated what was the products (*Kauppalaki. 1994.*)

If a product is late in delivery the buyer has the right to cancel the purchase. If the seller contacts the buyer of this delay and announces a new delivery date, the buyer has to within reasonable time either accept or decline this request. If the buyer does not answer the seller’s announcement and the seller delivers the product within the new time frame, the buyer cannot cancel the purchase anymore. If the product is made specifically for the buyer with the buyers wishes or demands, the buyer cannot automatically cancel the purchase due to the delay. If the manufacturing or the ordering of this specific product leads to a substantial financial loss for the seller that he cannot sell to another customer, the buyer does not have the right to cancel the purchase. (*Kauppalaki. 1994.*)

If the product has an error that is provenly on the seller’s responsibility, the buyer has the right to demand the error to be fixed, a new delivery, a price deduction to match the error or to cancel the purchase and on top of that he has the right to seek compensation. The buyer cannot point out an error if this is not done within a reasonable time of getting the product. The buyer should check the product for any faults or errors within reasonable time of getting the product. (*Kauppalaki. 1994.*)

If the buyer does not pay the amount that was agreed upon in the contract within the time that was agreed the seller has the right to demand the payment or to cancel the deal and seek compensation. The seller has to contact or notify the buyer of this and warn the buyer of that the purchase is being canceled if he does not pay the agreed amount within a specific time. (*Kauppalaki*. 1994.)

2.4 Consumer Protection Act

The Consumer Protection act is one of Finland's longest legal act's. It has been updated, changed and legislations added in it many times throughout the years since it came. The Consumer Protection act is dated back to 20.1.1978. (*Kuluttajansuojalaki*. 2017.)

The Consumer Protection act is conducted when the seller is a legal person and the buyer is a private person or also known as a consumer. The Consumer Protection act shows favoritism to the weaker party, and in the business between a legal person and a normal person, the normal person or the buyer is protected, for example when you buy jeans from a clothing shop. The buyer does not have nearly as much responsibilities as the seller, and if errors occur the buyer has the right to take action and report this mistake and in many cases, get the purchase undone. If the product is of poor quality, or has a directly recognizable mistake, that has not occurred due to the buyers handling of the product, then the buyer has the right to make a complaint of the purchase or the product that was bought. There is a general complaint time for products, for example clothes are expected to last normally worn for 6 months without breaking or the appearance changing in a drastic way. The complaint time of the 6 months is written up in the actual act as a guide line. If a complaint is made within the first 6 months since the buy, it is directly assumed that the problem or fault had already been there at the buy or that it due to the poor quality that it has broken, during the first 6 months after the buy the seller is responsible for errors that has come to the product. The buyer has the obligation to inform the seller within reasonable time after finding the error or after a time that can be expected when the buyer should have found the error, the buyer can at the latest inform the seller of the problem 2 months after discovering the error. The buyer, after informing the seller of the error, has the right to refuse of paying for the product. The buyer has the right to demand the seller to either repair the error or to send the buyer a new product all together, if by providing the buyer with a new product does not lead to immoderate costs for the seller and if this

is easily achievable for the seller. If the parties cannot come to an agreement of either repairing the error or sending a new product, the buyer can demand a discounted price that is in equal worth with the error. If the error is of a significant “size”, of a significant importance, the buyer can demand that the purchase will be cancelled all together, but in that case the error as said has to be of a significant importance and cause that the product cannot really be used in a way that it is tended to. If the error is of minimal importance, that it does not really impact the usage of the product, then the seller does not have to agree to cancel the purchase. (*Kuluttajansuojalaki. 2017.*)

In the Consumer Protection Act, there is a whole under heading for distance purchases and home purchases. With home purchases the Finnish Ministry of Justice means when a seller of for example a security system comes to your home and the purchase is done within your home, there is no visit to a physical shop done by the buyer. With distance purchases, they mean purchases that are done via the internet, telephone, an order note and so forth. In distance purchases the buyer and seller never meet physically, nor visit each other’s premises. In distance and home purchases the buyer has always a 14 day right to withdraw or cancel their purchase. In that case they can leave the parcel uncollected from the local postal office or they can collect it and return the parcel. Seller’s often require the buyer to send them a document of them announcing that they are using their right to withdraw their purchase. (*Kuluttajansuojalaki. 2017.*)

The buyer nor the seller can put in the purchasing contract anything that does not go together with the Consumer Protection act, they can not for example write “The purchase will only follow what is negotiated in this contract” and think that the Consumer Protection act does not apply. The seller can never minimize the protection of the buyer and they cannot put something in the contract that goes against the Consumer Protection act. (*Kuluttajansuojalaki. 2017.*)

The consumer protection act also recognizes the “sold as it is” point. But still if the product that is “sold as it is” does not match the description that the seller has offered the buyer, which one could think that would have had an impact on the actual purchase then the product is recognized as faulted. Also, if the seller has neglected to tell the buyer of the product’s condition which you could assume would affect the purchase, the product is recognized as faulted. And if the product is in worse condition than the price and circumstances imply the product is also recognized as faulted. And then the buyer has the right to announce this error. (*Kuluttajansuojalaki. 2017.*)

If the seller has agreed to a period of guarantee that the product will stay in the same condition, the product is recognized of being faulty if the product worsens in condition during the stated time. The worsening of the condition cannot be due to wrong handling of the product, an accident with the product or any other cause that would come from the buyer's handling. (*Kuluttajansuojalaki. 2017.*)

2.4.1 Finnish Competition and Consumer Authority

There is an authority who the consumers can turn to if they run into problems with their purchase from a company or corporation, this authority is called the Finnish Competition and Consumer Authority or FCCA. Their goal is to control the competition on the market and to give the consumer knowledge, the right information and guidance about their rights and responsibilities. (*Kkv. 2014*)

The FCCA offer something called a Consumer Ombudsman, which biggest duties include to supervise that the consumer protection act is being followed. The consumers can contact the Consumer Ombudsman, if they cannot solve a problem with the seller (when the seller is a company). The Consumer Ombudsman will then give its advice to the consumer and if necessary, take action and contact the seller in the buyers behalf. (*Kkv. 2018*)

2.5 Different purchasing channels

There are different channels where private persons can go to sell or buy things. In this thesis will the focus be on online channels, not real-life flea markets, markets or real-life auctions. A few examples of the online channels in the Facebook, Zadaa, Instagram and Tori.fi, that are used in Finland. eBay is also something that can and is being used, but that is not considered in this thesis, since the buyer or seller can be stationed in another country therefore the jurisdiction would be different, not the Finnish jurisdiction.

2.5.1 Facebook

Facebook is a social network where one can create a profile, either as a person or as a company. Facebook was founded by Mark Zuckerberg, Eduardo Saverin, Dustin

Moskovitz, and Chris Hughes in 2004. Facebook has become the world's biggest social network in 2012 when over one billion people were using Facebook. (*Britannica*. 2008)

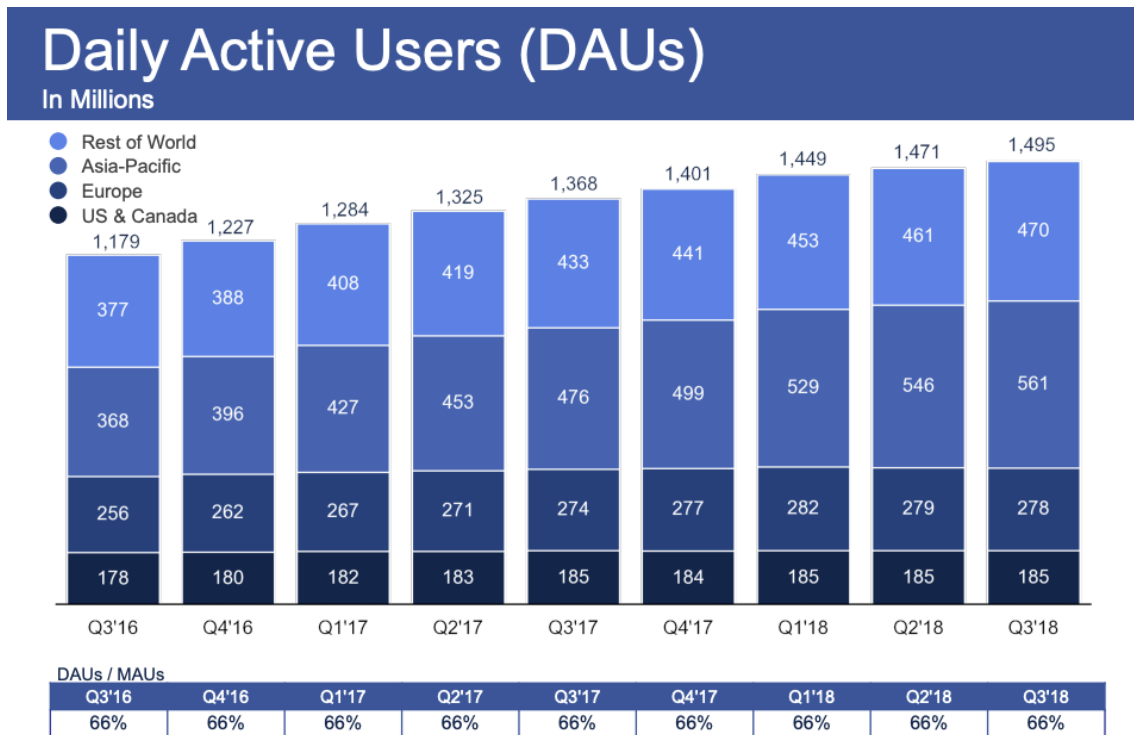


Figure 1. Daily Active Users (DAUs) (Facebook. 2018.)

As you can see in Figure 1, Facebook has in Q3 2018 1,495 billion daily users worldwide. In Europe they have 278 million daily users. (Facebook. 2018.)

Monthly Active Users (MAUs)

In Millions

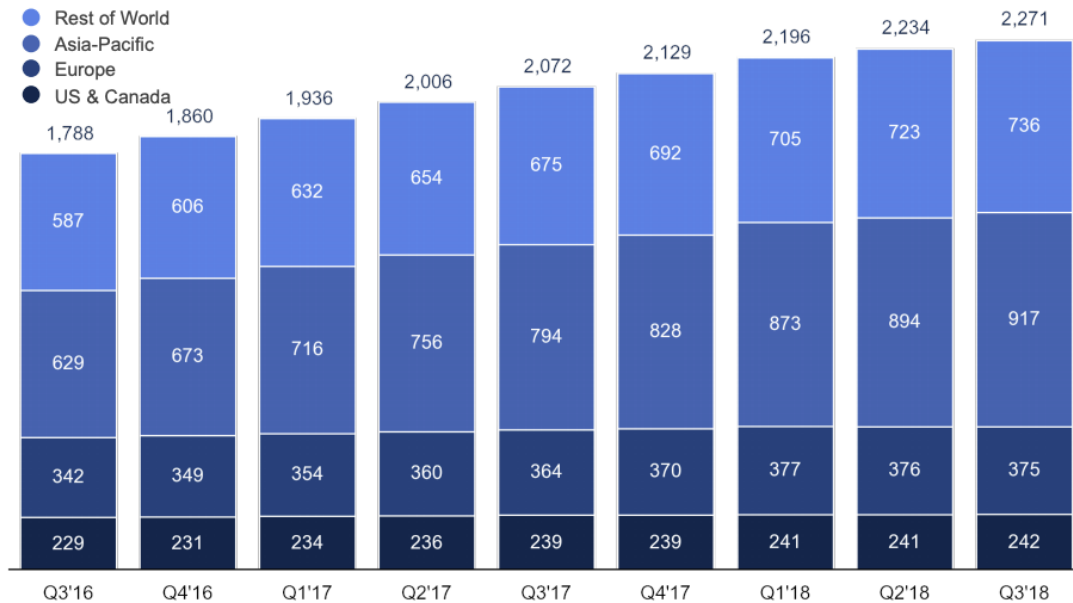


Figure 2. Monthly Active Users (MAUs) (Facebook. 2018)

As you can see in Figure 2, Facebook has in Q3 2018 2,271 billion monthly active users worldwide. In Europe there are 375 million monthly active users. This shows us compared to Figure 1, that there is clearly a difference between daily and monthly users. (Facebook. 2018.)

Facebook has different features to it that users can use, you create a profile where you can upload pictures, information about you and post things that you want. You can like different pages or other profiles, such as companies' profiles. You can also befriend people, which means that you allow them access to view your profile and posts, the befriending is mutual, so one has to send a befriend request and the other has to accept this request. With your profile you can either straightly join a group or send a request to join private groups. There are many different kinds of groups, people can create a group with a "topic" of their liking, as long as it follows Facebook's guidelines and rules. (Britannica. 2008)

Anyone who has an account on Facebook can form a group, where you can choose what type of group it will be. In this survey the focus is on "flea-market" groups on Facebook. These are the types of groups where people join to buy or sell things, from one private person to another. The groups can often be geographical in a sense that often there can be

different flea-market groups for example a city or a neighborhood. There can be different groups with different sets of rules. Some groups can also be totally free of charge, where you donate the product to another recipient.

Then the group can be started to sell specific types of products, for example an Ikea-flea market or an antique flea market. One of the biggest Ikea flea market group, called “Ikea-kirppis” has about 40000 members, this group is for selling or buying Ikea furniture (*Gloria. 2015.*). They can be used or new, there you can sell old models from Ikea that has been cancelled from the store or you can sell existing products, as long as they are from Ikea.

2.5.2 Zadaa

Zadaa is an application which you can download on your smartphone. Zadaa is used by private persons who can sell or buy clothes through the app. The sellers take the pictures of the product, explains the features and condition and prices the product by themselves. The actual payment happens within the application and the seller can ship the product as a Zadaa-package. Zadaa takes a fee of 5-20% of the purchasing price which includes the shipping fee and the insurance fee. Now Zadaa operates in Finland and in Denmark, but they are also launching in Germany. In May 2018 the application had about 200 000 users. (*Talouselämä. 2018.*)

Zadaa has co-operation with Matkahuolto and DHL, which makes the shipping of the product easy and what makes Zadaa differ from a Facebook flea market group. It also differs in another way, when you register you give height, weight and body type. This helps, so that the app can suggest and show more of the clothes that will suit the buyer, it also looks at usage history. (*Talouselämä. 2018.*)

2.5.3 Instagram

Instagram launched in 2010 as an application that you can download on your smartphone. You can share pictures and videos through Instagram. 2012 Facebook bought Instagram so nowadays Instagram is owned by Facebook. Instagram has circa 1 billion monthly activities and 500 million daily activities. (*Instagram. 2018.*)

A user can create a profile which they can dedicate for selling, or you can post pictures of the product you want to sell on your own personal profile.

2.5.4 Tori.fi

Tori.fi is an online platform which is meant for consumer to consumer business. Users can visit tori.fi through a webserver or download the application. Consumers create a profile which is used to upload pictures of the product that they want to sell. The products that are sold are mainly used items. Tori.fi is the biggest web placed consumer to consumer purchasing place in Finland with monthly purchases up to 2,1 million. (*Tori.fi*. 2018.)

2.6 Theory

The theory searching was proven to be difficult, since this topic has not been researched a lot. There were only a few articles that could be found on this particular subject. There were a lot of discussion forums that talked about this particular problem, but since they only were discussion forums, that mainly were answered anonymously, they were not credible sources and therefore will not be referenced in this thesis. They could perhaps be gathered in to statistics, if there is a discussion that shows simple opinions that can be answered in two ways, yes or no. But if the opinions and so-called answers can be understood in many different ways, then they can not be gathered in to data and statistics. But they still can help with the subject and help to understand what the general public thinks that they can turn to with problems regarding online flea market purchases and purchases from one individual to another. The problem with these discussion forums is that they are not scientific in any way.

3 METHOD

The key was to get the research question as precise as possible. And to keep the data gathering, analyzing and so on to answer and explain the research question fully. The information and text should not confuse the reader with theories, information, data and explanations of such things that have nothing to do with the research question.

The empirical research was done through a questionnaire or also known as a survey, that was answered by students, workers, stay at home mothers etc. just so that the survey does not focus only on one type of people and that the data collected from the survey will be as true as possible. In this way, the outcome was as accurate as possible, therefore there was not a specific target group in this thesis. If the group would have been targeted then it would have strayed away from lawyers as much as possible, so that the person who answers the questionnaire would not be familiar with the specifics of either laws but would perhaps have a basic understanding of at least the consumer protection act. The survey conducted for the thesis was an online survey that was distributed through various online forms.

The approach that was used in the thesis was a quantitative research approach. The data collected was statistically analyzed, so the approach was also quantitative, it depends on the questions that were answered in the questionnaire. The questions were all yes or no questions, multiple choice or single choice questions. Except for one, which was the last question where the survey participant had the possibility to leave any comments that they would like. If the questions will be yes or no answers or if they will have more possible answers.

There was a possibility that quantitative research method would be used in analyzing the data from the possible survey. The survey would have to reach enough people, at least 100 answers will have to be gathered, and people of different kinds in order to be accurate and honest to analyze. Then the questions in the survey should be simple to answer, no essay questions but questions that have “yes or no” answers or answers where there are scales from ex. 1 to 10. So that the data collected from that survey would be clear and direct to analyze. If they have more than simple answers then it will be much harder to analyze, and the approach would in the actual analyze also be more qualitative. The majority of the survey participants were from a single Facebook-group, so that is in a way sampling bias. But the members of that particular Facebook-group are random and they vary with their age, gender, occupation, education, geographical status and so on.

After the data was collected, the analyzing started. First the information has to be sorted in order, from what is most important to what is not. The task is to keep the research question in mind the whole time and not to stray too far from the task at hand.

After going through all of the gathered information and getting rid of the unnecessary, then the theory and hypothesis come to mind.

There are as many outcomes with the research questions as there are people answering this question. Because everyone has their own opinion and they vary, sometimes in a smaller scale and sometimes in a bigger scale. But the main question really only has one answer, and that is yes or no, do people know that in the business between two private individuals the act that is used is the sale of goods act and not the consumer protection act.

4 RESULTS

The questionnaire was published in three different languages, English, Finnish and Swedish. This was done so that the survey would get as much answers as possible, and so that the fact that the participant does not speak English it is not a hinder for them to answer it.

You can find the English questionnaire in Appendix 1.

The English survey got 11 responses. The Swedish survey also got 11 responses. The Finnish survey got 252 responses. All 252 participants did not answer all the questions, the number of answers is announced with the question's analysis. Due to the big difference in the survey answers the Finnish survey is the only that is analyzed in this thesis.

The majority of the survey participants were from a single Facebook-group, so that is in a way sampling bias. But the members of that particular Facebook-group are random, and they vary with their age, gender occupation, education, geographical status and so on. The Facebook-group that the survey was distributed on has circa 3000 members.

4.1 The questionnaire participants

Mitä sukupuolta olet?

Number of responses: 250

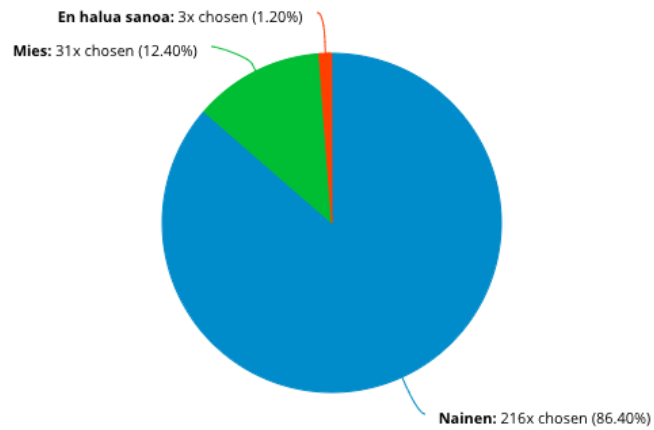


Figure 3. Gender of participants in questionnaire

In the questionnaire there were a total of 250 responses. As you can see in Figure 3. 86,4% were women, 12,4% were male and 1,2% did not want to state their gender. A total of 250 participants answered this question.

Minkä ikäinen olet?

Number of responses: 250

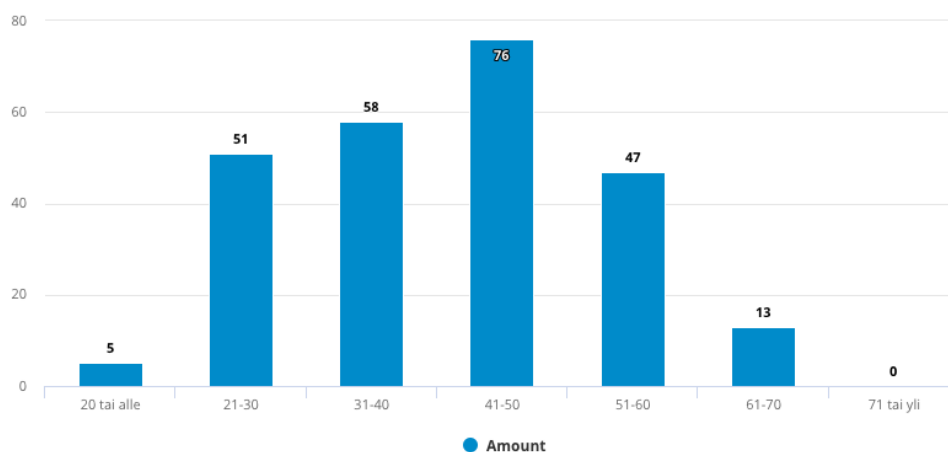


Figure 4. Age of participants in questionnaire

The biggest age group is 41-50 years old with 76 (30,4%) of the participants. The second biggest group is in the age of 31-40, with 58 (23,2%) of the participants. 21-30-year-old participants were 51 (20,4%), 51-60-year-old participants were 47 (18,8%), 61-70-year-old participants were 13 (5,2%) and 20 or under year old participants were only 5 (2,0%). A number of 250 participants answered this question. This you can see in Figure 4.

117 (47,37%) of the participants highest completed degree of school was upper secondary school, 75 (30,36%) of the participants was a bachelor's degree, 27 (10,93%) of the participants was comprehensive school, 26 (10,53%) of the participants was a master's degree and 2 (0,81%) of the participants was a doctoral degree. So, the biggest group was by a substantial amount the upper secondary school. A number of 247 participants answered this question.

The next question was about the occupancy of the participants. 47,39% (118) of the participants are currently employed, this was the biggest group. The second largest group was with 35,34% (88) participants are retired. 8,43% (21) are students, 6,43% (16) are unemployed and 2,41% (6) are self-employed. A number of 249 participants answered this question.

This tells us that most of the participants are women in the age between 41 and 50 who are currently employed.

4.2 The sale of goods act and the consumer protection act

When asked which law the participants think would be used in business between two private people, 163 (72,12%) of the participants feel that the consumer protection act is used. 63 (27,88%) knew that the sale of goods act is used in this kind of business. A total of 226 participants answered this question. This you see in Figure 5.

Käytetäänkö kaupoissa kahden tavallisen henkilön välillä?

Number of responses: 226

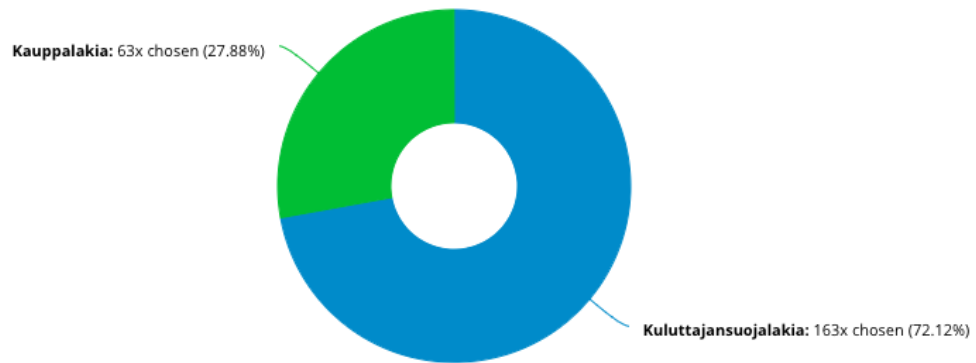


Figure 5. Which law is used?

When asked if the participant knew the differences between the Sale of Goods Act and the Consumer Protection Act, a total of 208 participants answered this question. 82,21% (171) do not know the difference and 17,79% (37) knows the difference between the two acts. So, the majority does not know the difference.

62,80% (130) of the participants are familiar with the Consumer Protection Act, out of 207 participants and 37,20% (77) are not familiar with the act.

When asked if the participants are familiar with the Sale of Goods Act a total of 206 participants answered this question. 85,44% (176) are not familiar with the Sale of Goods Act and 14,56% (30) are familiar with the act. So, the majority is not familiar with the Sale of Goods Act.

When asked if the participants had run to any problems with the sale or purchase of a product 206 responded. 187 (90,78%) had not run into any problems and 19 (9,22%) had run to problems. 67 total answered the next question which was if they had run into a problem, did they look into any jurisdiction, 54 (80,60%) said no and 13 (9,40%) said yes that they had looked into some jurisdiction. Then the next question was if the jurisdiction they looked into was the sale of goods act or the consumer protection act, a total of 33 participants answered this question. 25 (75,76%) answered the consumer protection act and 8 (24,24%) answered the sale of goods act.

4.3 Business between two consumers

When asked if the participant had bought a product from another private person 222 participants answered. 197 (88,74%) said yes, 19 (8,56%) said no and 6 (2,70%) said that they do not know. So, the majority has bought a product from another private person.

220 participants answered to the question of do they have a Facebook-account. 213 (96,82%) said yes and 7 (3,18%) said no. 218 participants answered the question of if they are a member of a Facebook “flea-market”-group, 176 (80,73%) are joined in a Facebook “flea-market”-group and 42 (19,27%) are not.

Jos vastasit kyllä, kuinka monta kertaa olet myynyt jotain Facebookin kautta?

Number of responses: 176

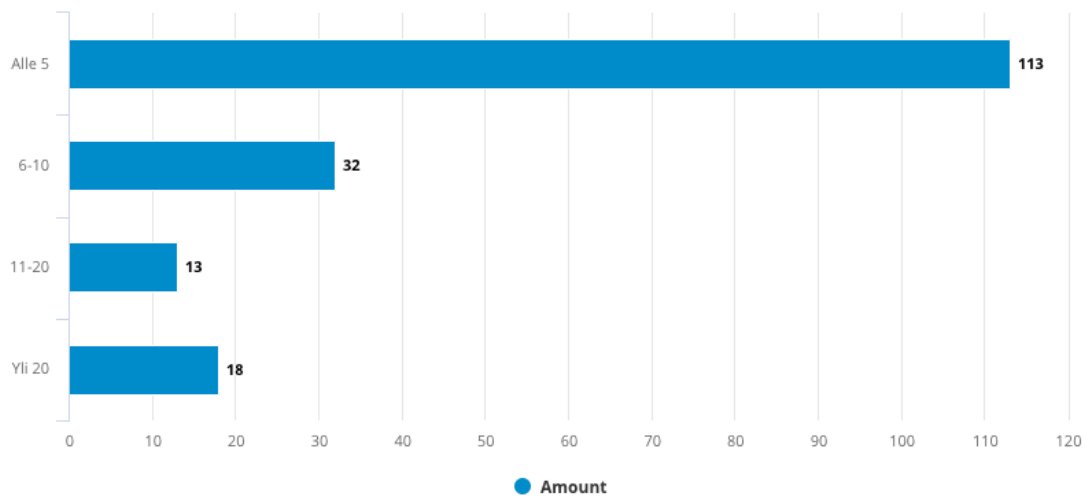


Figure 6. How many times have you sold something on Facebook?

Figure 6. shows us that of the total number of participants in this question, 176, 113 participants (64,20%) have sold something through Facebook under 5 times, 32 participants (18,18%) have sold something 6-10 times through Facebook, 18 participants (10,23%) have sold something over 20 times through Facebook and 13 participants (7,39%) have sold something through Facebook 11-20 times.

Kuinka monta kertaa olet ostanut jotain Facebookin kautta?

Number of responses: 194

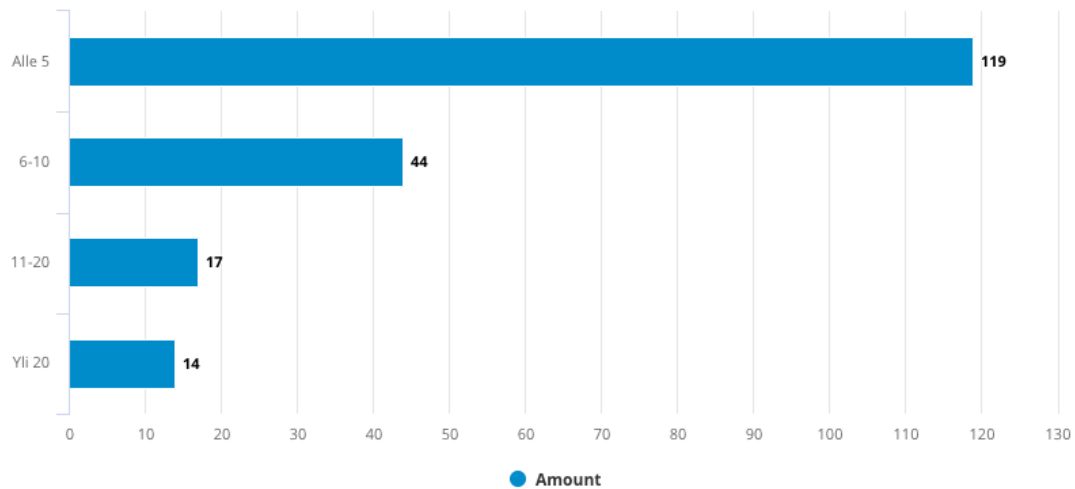


Figure 7. How many times have you bought something on Facebook?

Figure 7. shows how many times the 194 participants have bought something through Facebook. 119 participants (61,34%) has bought something through Facebook less than 5 times, 44 participants (22,68%) has bought something 6-10 times through Facebook, 17 participants (8,76%) has bought something through Facebook 11-20 times and 14 participants (7,22%) has bought something through Facebook over 20 times.

A total of 213 participants answered the question if they have bought or sold anything through another online platform. 156 participants (73,24%) said yes and 57 participants (26,76%) said no.

Jos vastasit kyllä, oletko käyttänyt?

Number of responses: 160

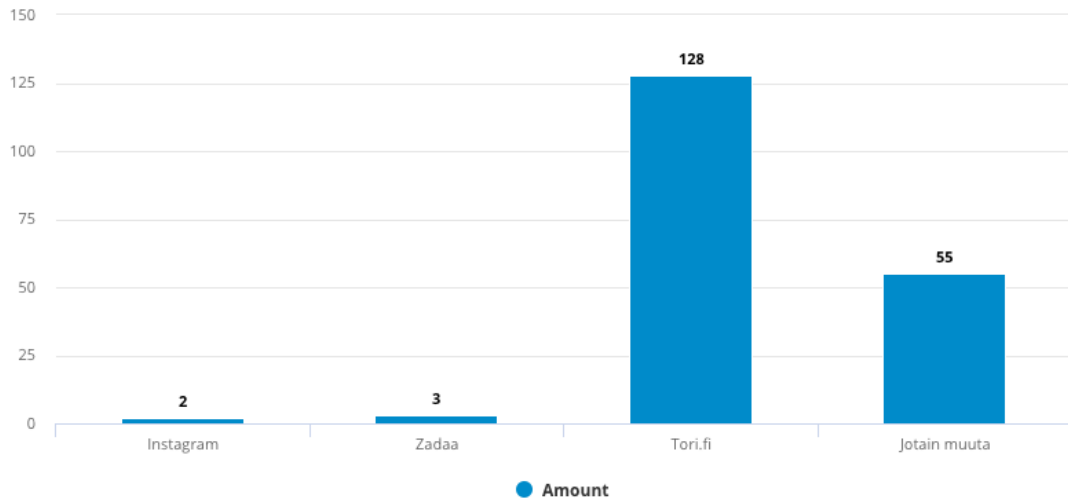


Figure 8. Other online platforms.

160 participants answered the question of if they have used one of these, as shown in Figure 8., as another online platform. 128 participants (68,09%) have used Tori.fi, 55 participants (29,26%) have used something else, 3 participants (1,60%) have used Zadaa and 2 participants (1,06%) have used Instagram.

4.4 Analysis & discussion

The questionnaire clearly states that most of the participants think that it is the consumer protection act which is used in business between two private people, in fact the percentage was that 72,12% thinks that. So, to answer the research question of do people know that it is the sale of goods act which is used in business between two private people, the majority does not know that.

The majority of participants were women, which can tell us two things, the first thing it can tell us is that the majority of people who do shop or sell in online “flea-markets” are women or the second thing it can tell us is that this questionnaire reached more women and that they might be more likely to answer questionnaires.

Majority of the participants has bought something from another private person, in fact 88,74% of them have. This tells us that it is quite common to buy something from someone who is not a legal entity or a corporation.

As this thesis focuses on online platforms and Facebook mostly, most of the participants have a Facebook account, 96,82% of them. And 67,12% have bought or sold something through Facebook. 73,24% of the participants have used another online platform to conduct a sale or a purchase, most of them have used Tori.fi 68,09% of the participants. This shows us that in Finland Tori.fi is in fact a big online platform to do business in between two private people.

The interesting fact is that not many have run into problems with their purchase or sale, only 9,22% have run into problems. And something that can be even more interesting is that still a large percent of the participants know someone who has run into problems with consumer to consumer business, 47,06% of them knows someone who has. Which is a big difference with the 9,22% of who has run into problems of their own.

It is also interesting that the majority of the participants are familiar with the consumer protection act, 62,80% of the participants. But only 14,56% of the participants are familiar with the sale of goods act.

There are similarities with the Sale of Goods act and the Consumer Protection act, but the main difference is with the protection of the buyer. The consumer Protection act shows protection to the often-weaker party, which is the buyer whereas the Sale of Goods act does not protect or show favoritism to either part, the buyer or seller because they both are considered as equally strong. That the buyer and seller has as much information about business, contracts and purchasing in general (*Kauppalaki, 1994*). The Consumer Protection act protects or shows favoritism to the buyer because that party is often the weaker party, the buyer is a normal person, not a legal entity or a corporation with advisors and so on (*Kuluttajansuojalaki, 2017*).

Because the Sale of Goods act speaks of legal person's, it is easily confusing that it is this act which is referred to when dealing with purchases between two normal persons. But due to the fact that both parties can be assumed to have the equal amount of knowledge of the purchase at hand, is the reason why one party is not protected, and the Sale of Goods act is used. (*Kauppalaki, 1994*)

In both acts the product should be the same as it was put in the contract, it may not differ from its advertising and from the state that can be assumed from the purchase. The seller cannot lie nor exaggerate the state or the functions of the product. The product shall be able to be used the way it is intended to, or how society sees that it should work. (*Kauppalaki, 1994*)

In both acts if the possible error or fault can be proven that it is within the seller responsibilities the buyer can demand for a discount, new product or cancel the purchase altogether. Also, in both cases if sending a new product to the buyer leads to extraordinary costs for the seller, the seller can offer a discounted price to be of the same worth of the error. It is then up to the buyer to choose if they will accept the discount or do they want to cancel the purchase altogether. In both acts the buyer can demand the seller to pay for damages that have become due directly from the error of the purchase.

The Sale of Goods act differs from the Consumer Protection act, with the 14 days right for withdrawal. In the Consumer Protection act the buyer in distance and home purchases always has the right to cancel their purchase within announcing it in 14 days of the purchase (*Kuluttajansuojalaki, 2017*). In the Sale of Goods act, if it is a customized order from the buyer to the seller, that the seller has to manufacture just for that specific buyer, if the buyer then decides to cancel their purchase, the seller has the right to continue with the purchase if it is too late to stop manufacturing if they cannot put the product on the market again or if due to the cancellation there will be a significant financial loss for the seller. Then they have the right to demand that the buyer keeps to the contract, or that they will compensate financially for the losses that the seller has suffered. (*Kauppalaki, 1994*)

When two legal persons do business together, depends the terms on the contract first and foremost (*Kauppalaki, 1994*). The purchases themselves are not as heavily regulated as in the purchases between a legal person and a normal person, where you cannot go against the Consumer Protection act in any way (*Kuluttajansuojalaki, 2017*).

In the consumer protection act the buyer has the right to check the product before paying for it, in the Sale of Goods act it depends on what was decided in the contract. If the contract states that the payment should be made prior to delivery, then that is when the payment should be made. (*Kauppalaki, 1994*)

4.5 Ethics & reliability

The questionnaire was done ethically and has not been altered in any way since the results. The participants remain anonymous. Lack of an introduction to the survey is a miss, but

in the post where the survey was advertised it was stated that the survey was for a bachelor's thesis.

4.6 Future research

The questionnaire got enough participants in order for it to be scientific, but more future research could be done to narrow the questions down and make a more detailed research of the problems which consumers face with business between other consumers.

It would be interesting on the basis of this research that there would be a research done where you could find out if the Finnish people should be more educated in the sale of goods act. And if it would prevent any future problems with consumer to consumer business.

It could also be researched why is it that people are more familiar with the consumer protection act than they are with the sale of goods act.

5 CONCLUSION

The general public does not know what law or jurisdiction they should turn to when they have business between two consumers or they think that they should turn to the Consumer Protection Act. It is in fact the Sale of Goods act that should be followed when dealing with business between two private individuals, instead of Consumer Protection Act which is used with business between a legal person and a normal person (*Kauppalaki.1994*).

The subject at hand has not been heavily researched in the past, therefore there was not much literature to review.

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APPENDIX 1. ENGLISH QUESTIONNAIRE



Thesis survey

The Sale of goods act between business of private individuals

Thesis survey - Fanny Blomqvist

What is your gender?

Female

Male

Do not want to say

What is your age?

20 or under

21-30

31-40

41-50

51-60

61-70

71 or over

What is the highest degree of school that you have completed?

Comprehensive school

Upper secondary school

Bachelor's degree

Master's degree

Doctoral degree

Are you currently?

Employed

Self-employed

Not employed

A student

Retired

Which law is used in the business between two private individuals?

The consumer protection act

The sale of goods act

Have you bought a product from another person (that is not a company)?

Yes

No

I do not know

Do you have a Facebook account ?

Yes

No

If yes, have you bought or sold anything on Facebook?

Yes

No

Are you joined in a "flea-market"-group on Facebook?

Yes

No

If yes, how many times have you sold something on Facebook?

Less than 5

6-10

11-20

21 or over

How many times have you bought something on Facebook?

Less than 5

6-10

11-20

21 or over

Have you bought or sold anything on another online platform?

Yes

No

If yes, have you used?

You can select multiple options.

Instagram

Zadaa

Tori.fi

Something else

Have you ever run into any legal problems with the sale or purchase?

Yes

No

Did you look into any jurisdiction?

Yes

No

Did you look into

The sale of goods act

The consumer protection act

Do you know anyone who has run into problems with their purchase with another private person?

Yes

No

Are you familiar with the sale of goods act?

Yes

No

Are you familiar with the consumer protection act?

Yes

No

Do you know how the sale of goods act and the consumer protection act differ?

Yes

No

Do you have any comments?

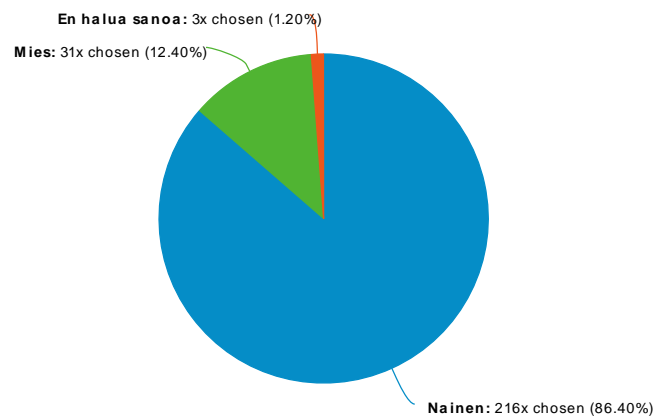
APPENDIX 2. FINNISH QUESTIONNAIRE RESULTS



Opinnäytetyö kysely

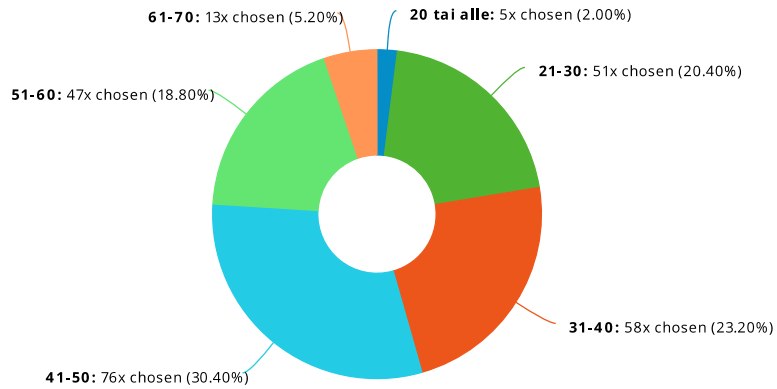
Mitä sukupuolta olet ?

Number of responses: 250



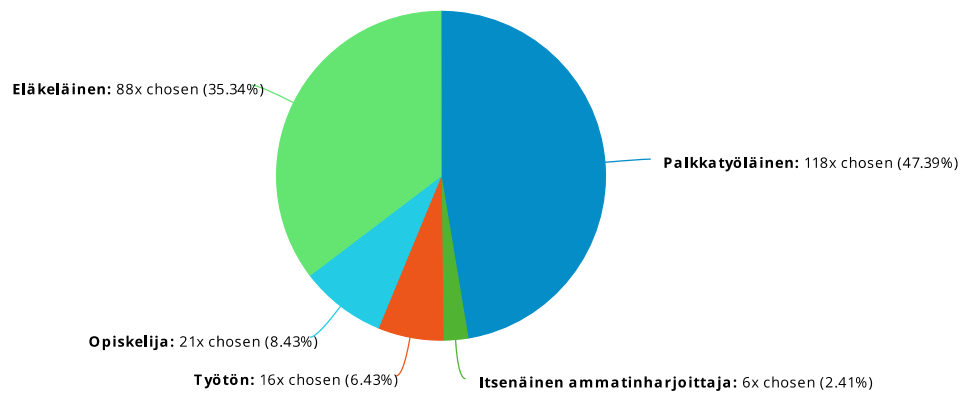
Minkä ikäinen olet?

Number of responses: 250



Oletko?

Number of responses: 249



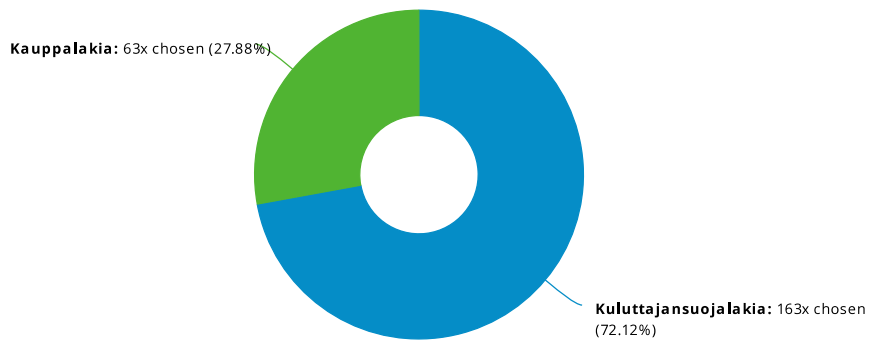
Mikä on korkein suoritettu koulutusasteesi?

Number of responses: 247

Answer	Times chosen	Percentage
Peruskoulu	27	10.93%
Lukio- tai ammattikoulu	117	47.37%
Alempi korkeakoulututkinto	75	30.36%
Ylempi korkeakoulututkinto	26	10.53%
Tutkijakoulutusasteen tutkinto	2	0.81%

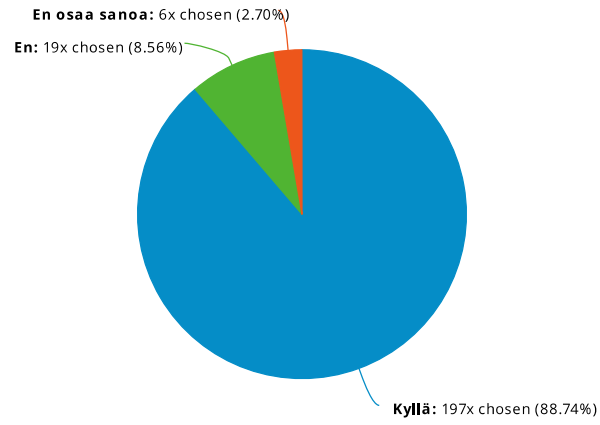
Käytetäänkö kaupoissa kahden tavallisen henkilön välillä?

Number of responses: 226



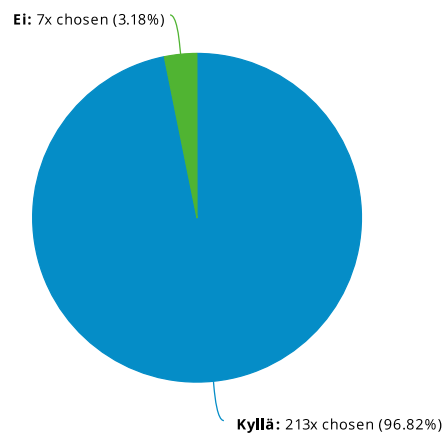
Oletko ostanut tavaran toiselta henkilöltä (ei yritykseltä)?

Number of responses: 222



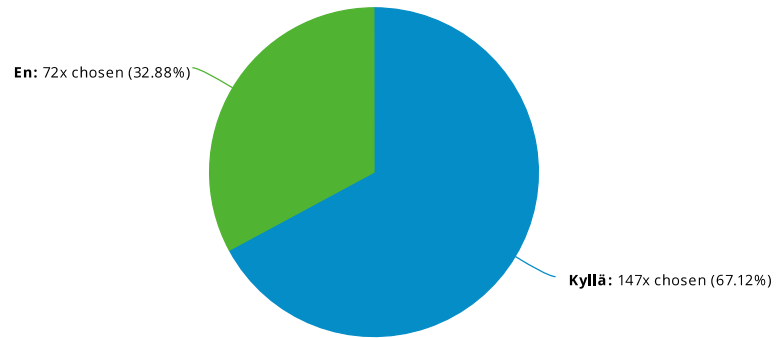
Onko sinulla Facebook tiliä?

Number of responses: 220



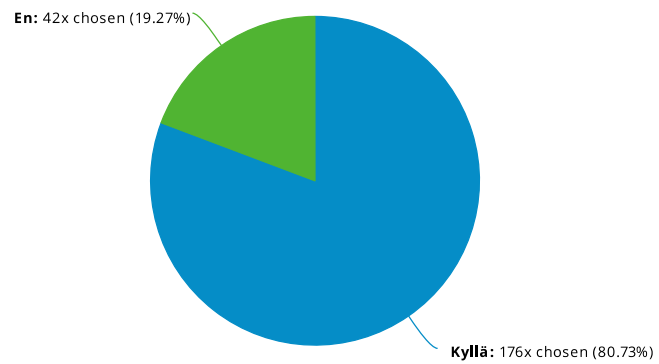
Jos vastasit kyllä, oletko ostanut tai myynyt jotain Facebookin kautta?

Number of responses: 219



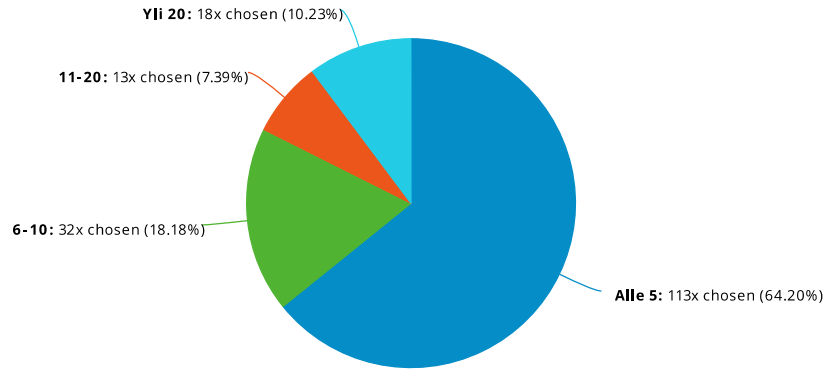
Kuulutko Facebookissa "kirpputoriryhmään"?

Number of responses: 218



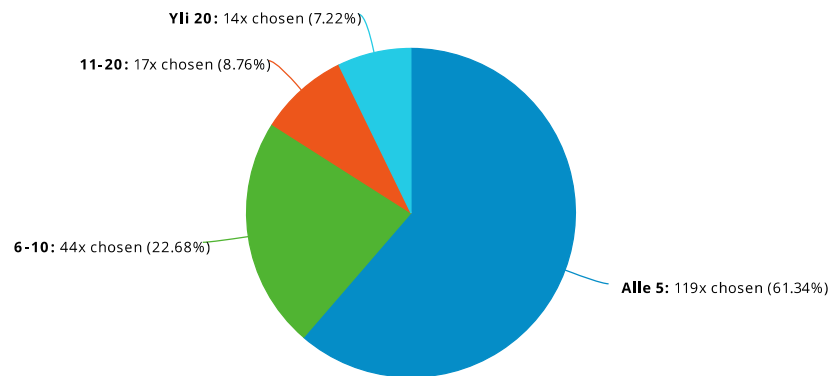
Jos vastasit kyllä, kuinka monta kertaa olet myynyt jotain Facebookin kautta?

Number of responses: 176



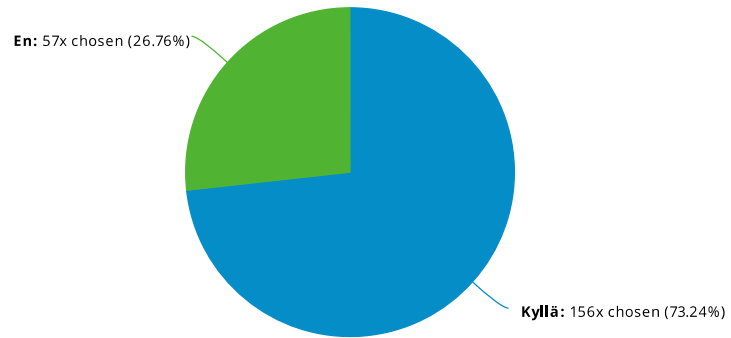
Kuinka monta kertaa olet ostanut jotain Facebookin kautta?

Number of responses: 194



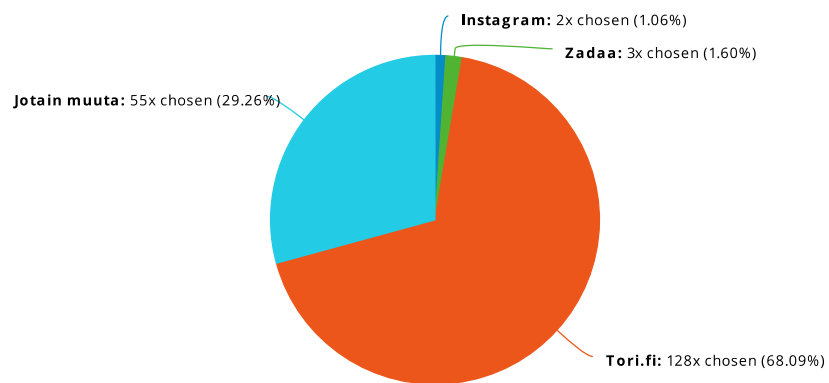
Oletko ostanut tai myynyt jotain jonkin muun verkkoalustan kautta?

Number of responses: 213



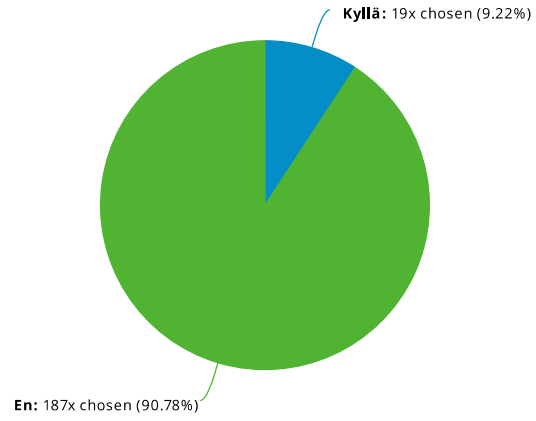
Jos vastasit kyllä, oletko käyttänyt?

Number of responses: 160



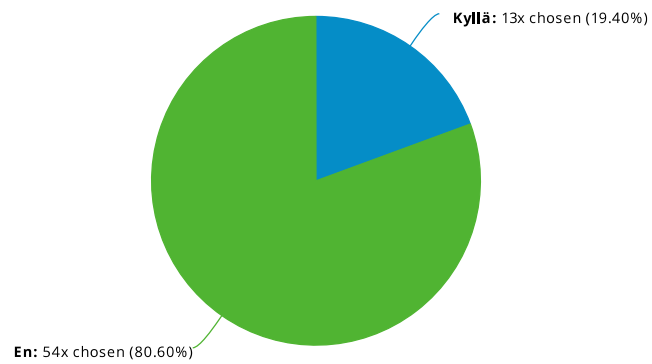
Oletko kohdannut laillisia ongelmia ostossa tai myynnissä?

Number of responses: 206



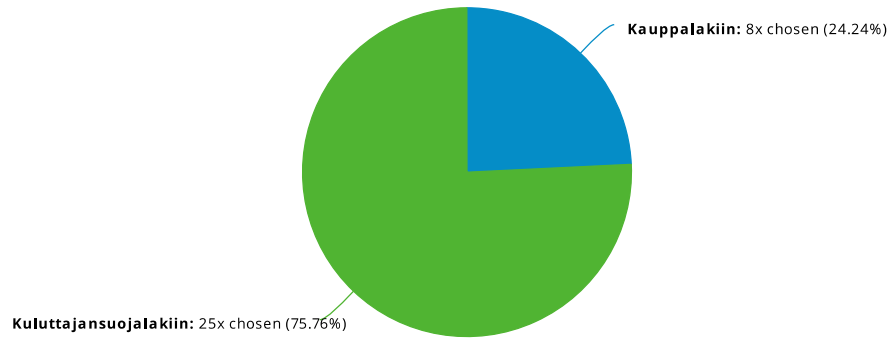
Jos vastasit kyllä edelliseen kysymykseen, tutustuitko johonkin lainsäädäntöön?

Number of responses: 67



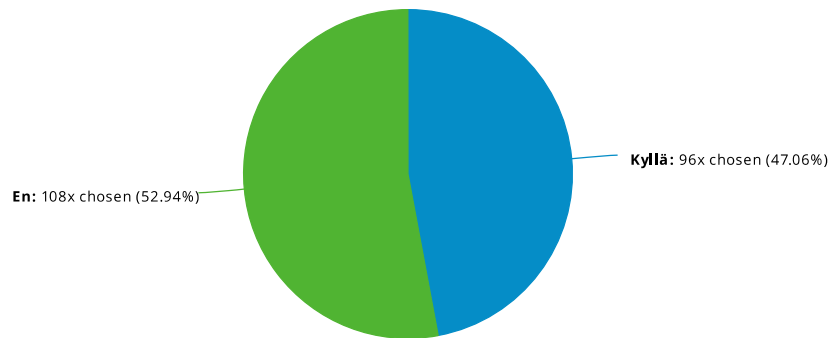
Tutustuitko?

Number of responses: 33



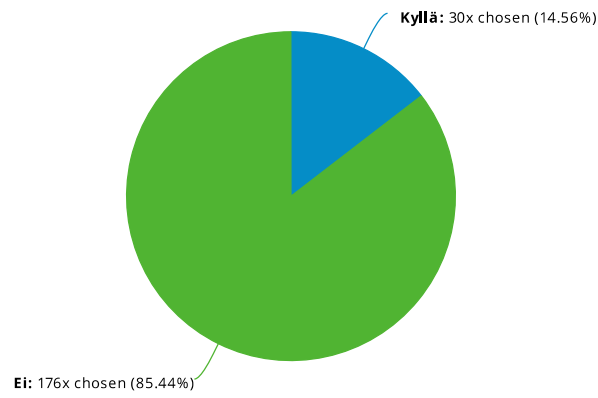
Tunnetko ketään joka on kohdannut ongelmia ostossa jonka on tehnyt toiselta henkilöltä?

Number of responses: 204



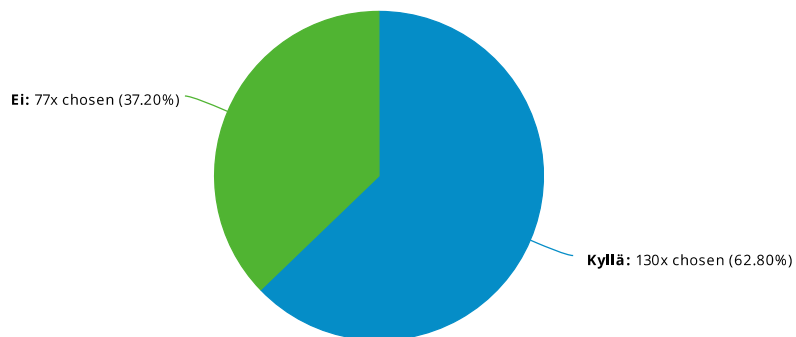
Onko kauppalaki tuttu sinulle entuudestaan?

Number of responses: 206



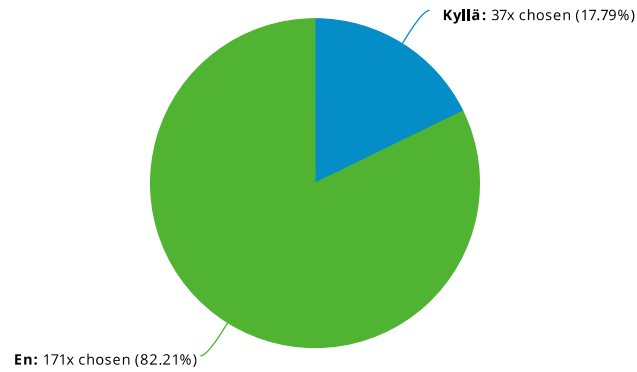
Onko kuluttajansuojalaki tuttu sinulle entuudestaan?

Number of responses: 207



Tiedätkö miten kauppalaki ja kuluttajansuojalaki eroavat toisistaan?

Number of responses: 208



Onko sinulla palautetta tai muuta lisättävää?

Number of responses: 14

Text answers:

Ehkä kysymys että miten ne silt eroavat toisistaan, olisi voinut antaa kattavamman kuvan kyselytuloksista

Ei

Laittoi miettimään kyseisiä lakeja, niiden eroja ja tarkoitusta

Miten opiskelu/tutkinto liittyy näihin kysymyksiin?

"Itsenäinen ammatinharjoittaja" on terminä hieman huono. Siitä tulee itselleni ainakin ensimmäisenä mieleen yksityinen elinkeinonharjoittaja. Esim. Yrittäjä olisi laajempi ja mielestäni oikeampi termi omassa tapauksessani ja kaikki itsenäiset liikkeenharjoittajat kuuluisivat saman termin sisälle.

verkkoalusta terminä ihmetytti

Olen osa-aikaeläkeläinen eli olen myös työelämässä. Tämä vaihtoehto puuttui.

Ei

Vähän tietoa itse tutkimuksesta; mitä opiskelet, missä ja mihin tätä tutkimusta käytetään.

Pitäisi varmaa alkaa lukea näitä lakeja vähän...

Ei

Toivottavasti tästä oli apua

Tärkeä aihe, enpä todellakaan tiedä, miten lait eroavat toisistaan, arvailen vain. Tsemppiä opiskeluihin!

Näistä kauppa ja kuluttajansuojalaeista voisi enemmän olla juttua varmaankin kun ei tuollaisia tiedä...