

Staying in Compliance; Keeping an Eye on the FTC's 30-Day Rule



As labor shortages and product delays persist, and online orders continue to increase, shippers are facing continued challenges. This is a good time to be aware of the 30-day rule. This Federal Trade Commission (FTC) regulation is formally known as the Mail, Internet, or Telephone Order Merchandise Rule.

How Does it Work?

The FTC “requires sellers who solicit buyers to order merchandise through the mail, via the Internet, or by phone to have a reasonable basis to expect that the sellers can ship within the advertised time frame, or, if no time frame is specified, within 30 days.” The rule goes on to state that if the seller cannot adhere to this time frame then they must obtain consent from the buyer or provide a full refund.

What's at Stake?

If a seller were to violate the 30-Day rule, the FTC could fine them over \$40,000 per violation. In addition, the USPS could have the ability to enforce penalties associated with non delivery. And consumer protection laws, depending on the state, may be enforceable.

What About Third Party Services?

For sellers that use third party fulfillment services, there are oftentimes questions of who is ultimately responsible. The seller relies on the fulfillment center to ship the product. Even so, it ultimately becomes the responsibility of the seller to follow the rule and ensure the refund is made if needed. As a result it is always a good idea for e-commerce companies to have a strategy in place for monitoring order details.

How to Mitigate The Issue

The 30-day rule is not the only reason that sellers are inclined to ship products in an expedient manner. Today's consumers demand not only fast, but extremely fast, shipping. One of the most effective ways to increase the speed of order processing, while also reducing postage and labor costs, is through automation.

Those that are new to automation will realize a major boost in productivity. And those that are already using sortation systems may be candidates for upgraded technology that will improve an already efficient setup or provide the ability to handle additional volume. Reach out to ID Parcel & Mail Solutions to discuss your automation needs.