

## The Sign Said No Refunds. The Law Disagrees.



Somewhere in Nigeria right now, someone is walking out of a store with something that doesn't work, doesn't fit, or isn't what they were shown — and saying nothing.

Not because they have no case, but because they saw the sign.

*No refund after payment.*

*All sales are final.*

*Goods sold are not returnable.*

It is on receipts, above cashier counters and inside checkout pages. It's even printed in fonts small enough to suggest the business would prefer you not read it. And it works — not because it is legally binding, but because most Nigerians think it is.

It isn't.

A blanket no-refund policy, applied regardless of whether goods are defective, misrepresented, or unfit for the purpose they were sold for, is not enforceable under Nigerian law. In several circumstances, a court will not uphold it. In others, insisting on it is a criminal offence.

The law has been clear on this for years but businesses have been relying on consumer ignorance.

## What the Law Actually Says



The ***Federal Competition and Consumer Protection Act 2018*** — the ***FCCPA*** — is the governing legislation for every commercial transaction in Nigeria. It does not eliminate a business's right to set its own terms. Nigerian courts have consistently upheld freedom of contract, and a properly disclosed, proportionate no-refund clause is not inherently unlawful.

But freedom of contract has a ceiling. The ***FCCPA*** establishes minimum standards for goods and services — standards that exist independent of whatever a receipt says, and that no contractual clause can remove. Where those standards are breached, the consumer's right to a remedy survives and the sign becomes irrelevant.

The ***Sale of Goods Act 1893*** — still operative in Nigeria as a statute of general application — goes further. It implies a condition of **fitness for purpose** into every sale where a buyer communicates their intended use to the seller. It goes beyond being a mere preference, to a legal term of the contract, that the seller cannot evade.

Together, these two instruments mean that every Nigerian who has ever accepted a defective product because a notice said they had no choice, was standing on stronger legal ground than they knew.

## **The Circumstances Where No-Refund Fails**



The *FCCPA* specifies exactly when a no-refund clause cannot be enforced. These are rules, not exceptions.

### **When the goods don't match what was shown.**

A consumer who buys based on a description, a photograph, or a sample is entitled to receive something that materially corresponds to it. Where it doesn't, the right to reject and obtain a refund exists by statute — regardless of what the policy says. The standard is what a reasonable, alert consumer would have expected, not what the seller intended.

### **When the goods are unfit for the purpose they were sold for.**

Where a consumer communicates a specific use to the seller and relies on the seller's judgment, there is an implied condition — under *Section 14 of the Sale of Goods Act* — that the goods will be reasonably fit for that purpose. A seller who gives a customer a waterproof bag that lets in water after being told it was for rainy-season travel is not protected by the clause.

### **When the goods fail within three months of delivery.**

The *FCCPA* carries an implied warranty that goods will comply with applicable industry standards. Where they fail to do so within three months of delivery, the consumer may elect repair, replacement, or a full refund. The choice belongs to the consumer, not the seller.

### **When the cancellation charge is disproportionate.**

A business may impose a reasonable cancellation fee where a consumer cancels an advance booking or reservation. What it may not do is impose a blanket non-refund policy disconnected from any actual loss. The charge must be proportionate, justifiable, and disclosed before the transaction is concluded — not printed on a receipt the consumer receives after paying.

### **When the policy was never properly disclosed.**

Under *Section 128 of the FCCPA*, any term that limits a consumer's rights must be clearly and prominently brought to their attention before the contract is concluded. A no-refund clause hidden in dense terms and conditions, discovered only after payment, may be unenforceable on that basis alone — independent of whether the goods were defective.

## **What the Courts Have Already Decided**



This is not untested legal theory. Nigerian courts have ruled on it.

In *Edem Ewa Ekeng & Anor v. Wakanow.com Limited*, a travel company invoked its no-refund policy after failing to secure tickets for a rescheduled flight — leaving the claimants to pay higher fares. The Lagos State Magistrates' Court ordered a full refund and awarded additional damages. The clause did not survive the failure to perform.

In *Patrick Chukwuma v. Peace Mass Transit Limited*, the Enugu State High Court ruled against a blanket no-refund clause where the service was delayed and the claimant did not travel. ₦500,000 in damages was awarded. The court's position was unequivocal: where service delivery falls short, consumers are entitled to redress — and a contractual disclaimer does not change that.

Both decisions carry the same logic. A business's freedom to set its own terms does not extend to denying a consumer a remedy when the goods or services it delivered were not what the law requires them to be.

## The Regulator's Position



In March 2026, the *Federal Competition and Consumer Protection Commission* issued a public warning to Lagos traders: **blanket "no return, no refund" clauses are prohibited under Nigerian law.**

The **FCCPC** did not issue guidelines. It issued a warning — and backed it with enforcement powers that include the authority to impose fines, withdraw products from sale, seize goods, prosecute offenders, and shut down non-compliant businesses entirely. Non-compliance with consumer rights under the **FCCPA** is a criminal offence. An individual found liable faces up to five years imprisonment, a fine of up to ₦10,000,000, or both. For a corporate body, the penalty is a fine of not less than ₦10,000,000 or 10% of annual turnover — whichever is higher. Every director of that body may be held personally liable.

## **The Sign Was Always Just a Sign**



A notice on a wall does not create law. A clause on a receipt does not override a statute. And the number of businesses displaying no-refund policies across Nigeria does not make those policies legally sound — it only reflects how long the gap between the law and public knowledge has gone unaddressed.

The **FCCPA** exists because the relationship between a business and an individual consumer is structurally unequal. The law corrects that — not by eliminating commercial freedom, but by defining the floor below which no contract is permitted to go. Every consumer who has accepted a defective product, walked away from a failed service, or paid a disproportionate cancellation fee because a sign said they had no choice — was standing on stronger ground than they were told.

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*Olaniwun Ajayi LP advises businesses and individuals across Nigeria's commercial and regulatory landscape. For guidance on structuring consumer-compliant commercial policies, contact our Business Advisory and Foreign Investment practice.*