

November 13, 2014

MacKenzie Carruth
Avid Marketing Group
100 Corporate Place, Suite 200
Rocky Hill, Connecticut 06067

E: Satisfaction Guarantee Refund on Beer

Dear Ms. Carruth:

ISSUE: This correspondence is in response to your e-mail of October 30, 2014, wherein you inquire as to the legality of a “satisfaction guaranteed” promotion proposed to be offered by an undisclosed manufacturer. The program will offer consumers a full refund on the purchase price of an undisclosed brand of beer if the consumer is in any manner dissatisfied with the product. To receive a refund, the consumer must mail a completed refund form, along with the original cash register receipt and UPC code, to the address specified on the form. The offer is limited to adults of legal drinking age, and there is a limit of one (1) refund per household.

OPINION: Generally it is unlawful for any licensee to offer, pay, make, or allow any allowance or rebate, refund, or concession, whether in the form of money or otherwise, to induce directly the purchase of liquor or malt or brewed beverages. [47 P.S. § 4-493(22)]. However, this office has historically allowed an exception for a refund policy associated with a product satisfaction guarantee program. Prior approval is generally not required in such cases, and neither the Liquor Code nor the Board’s Regulations impose any specific requirements regarding the method of refunding an item.

Therefore, a rebate up to the full purchase price (excepting taxes) is allowable and would not be considered an unlawful inducement.

THIS OPINION APPLIES ONLY TO THE FACTUAL SITUATION DESCRIBED HEREIN AND DOES NOT INSULATE THE LICENSEE OR OTHERS FROM CONSEQUENCES OF CONDUCT OCCURRING PRIOR TO ITS ISSUANCE. THE PROPRIETY OF THE PROPOSED CONDUCT HAS BEEN ADDRESSED ONLY UNDER THE LIQUOR CODE AND REGULATIONS. THE LAWS AND POLICIES ON WHICH THIS OPINION IS BASED ARE SUBJECT TO CHANGE BY THE LEGISLATURE OR THE PENNSYLVANIA LIQUOR CONTROL BOARD.

Very truly yours,

MacKenzie Carruth
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FAITH S. DIEHL
CHIEF COUNSEL

cc: Pennsylvania State Police, Bureau of Liquor Control Enforcement

LCB Advisory Opinion No. 14-586