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Thailand's "Lemon Law": A Transformational Shift in Consumer Protection

Thailand is on the cusp of a major transformation in consumer protection with the introduction of its long-awaited "lemon law." On June 16, 2026, the Cabinet approved the Liability for Defective Goods Bill, marking a significant step toward aligning Thailand's legal framework with international standards and strengthening consumer rights in cases involving defective products. The proposed legislation is designed to address a longstanding imbalance between consumers and sellers—particularly in cases where newly purchased goods turn out to be defective.

At the heart of Thailand's lemon law is a fundamental shift in legal principle: the burden of proof will move from the consumer to the seller. Under the current regime, consumers have a burden to prove that the goods are unsafe and such unsafe goods cause damages to the consumers—a process that can be both complex and costly. The new law reverses this approach. If a defect arises within a legally defined period after delivery, it will be presumed that the defect existed from the outset, unless the seller can prove otherwise. This reform addresses a core issue in Thai consumer practice, where buyers often face repeated repair cycles without clear timelines and limited practical recourse beyond litigation.

A defining feature of the proposed law is the introduction of four clearly articulated remedies, giving consumers meaningful options when dealing with defective goods:

1. Repair of the product,
2. Replacement with a new product,
3. Price reduction, and
4. Termination of the contract (refund).

These remedies are intended to replace the current system, which often confines consumers to repeated repairs under seller-defined warranty terms. Importantly, the law also provides for immediate replacement rights in cases of serious defects—within seven days for general goods and 14 days for electrical and electronic products.

The draft legislation also introduces clear time-based protections: in the case of general goods, defects arising within six months are presumed to have existed at delivery, and in the case of motor vehicles, there is an extended protection of one year.

In parallel, the law establishes strict repair deadlines—60 days for general goods and motorcycles and 90 days for automobiles. If sellers fail to meet these deadlines, consumers gain the immediate right to pursue alternative remedies, including termination or compensation. For vehicles, the law introduces particularly strong protections: where safety-related defects cannot be remedied, the seller must replace the vehicle with a new one of the same model.

The lemon law is particularly significant in sectors involving high-value and technologically complex products, such as electronics and automobiles. Modern technological goods (such as smartphones, laptops, and electric vehicles) are increasingly difficult for consumers to assess independently. As a result, buyers often struggle to determine whether defects arise from manufacturing issues, logistics, or usage. By establishing a presumption of defect and standardizing remedies, the law aims to address these asymmetries and improve consumer confidence in the marketplace.

The proposed lemon law is notable for its broad scope, extending beyond traditional retail transactions. It applies to business-to-consumer transactions, business-to-business sales, hire-purchase agreements, and credit-financed purchases and exchange contracts. This expansive coverage reflects a policy intention to address defects across the entire commercial chain, rather than limiting liability to end retailers. However, certain exclusions apply, including second-hand goods, live animals, and peer-to-peer consumer sales.

How Businesses Should Prepare: Managing Cost and Risk Exposure

While the lemon law is primarily consumer-focused, it will have far-reaching implications for businesses operating in Thailand, particularly in terms of increased compliance burdens, operational adjustments, and heightened exposure during the statutory presumption periods. In light of the proposed shift in liability and enforcement dynamics, businesses operating in Thailand should adopt a proactive and structured approach to risk management. Early preparation will be critical to control both financial exposure and operational disruption.

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As the burden of proof shifts to sellers, businesses must be able to demonstrate that defects did not exist at delivery. This will require enhanced quality control processes at manufacturing and pre-delivery stages, improved supplier due diligence, and regular product testing and audit procedures. Effective product traceability systems—such as batch identification, serial number tracking, and supplier mapping—will be critical to enabling targeted remedial actions and reducing the cost and scope of potential recalls or replacements. A failure to identify and address quality issues early may result in direct liability for replacement, refund, or compensation.

Additionally, businesses should revisit warranty and after-sales frameworks, considering existing warranty policies—often built around repeated repair cycles—may no longer be sufficient. Given the reversal of the burden of proof, documentation will become a critical defense tool. Without proper documentation, rebutting the presumption of defect may be difficult and costly. Further, businesses should review and update contracts across the supply chain to ensure that liability is appropriately allocated. Last, with clearer consumer rights, disputes may become more structured but also more frequent. Businesses should establish formalized channels for receiving, tracking, and responding to consumer complaints and defect reports, as well as procedures for promptly notifying consumers of identified risks. Businesses can mitigate litigation risk by resolving claims early, relying on negotiation or mediation where appropriate.

Outlook

The introduction of the lemon law follows more than ten years of policy development and public consultation. Its Cabinet approval represents a milestone in Thailand's efforts to modernize its consumer protection framework and reduce disputes between buyers and sellers. However, as of June 2026, the law remains in draft form and must undergo parliamentary consideration before coming into force. Once fully adopted, the law is expected to raise overall market standards, incentivizing businesses to improve product quality, reduce defects, and compete on reliability and service.

For consumers, the law promises a long-awaited framework of clarity and fairness—ensuring that when a product turns out to be a “lemon,” the legal system provides a clear path to redress. For businesses, the implications extend well beyond legal compliance. The new regime will require operational, contractual, and strategic adjustments to manage increased exposure effectively. Companies that invest early in compliance infrastructure, documentation, and quality assurance will be better positioned to reduce costs, mitigate risks, and maintain consumer trust.

How ILCT Can Assist?

ILCT continues to closely monitor regulatory developments affecting businesses operating in Thailand, including the approval process of the proposed lemon law and evolving product liability standards. Should you require further guidance on how these changes may impact your operations, risk exposure, or compliance strategies, please feel free to contact us at law@ilct.co.th.