What Does 'Caveat Emptor' Mean?

*Caveat emptor* is a Latin term that means "let the buyer beware." Similar to the phrase "sold as is," this term means that the buyer assumes the risk that a product may fail to meet expectations or have defects. In other words, the principle of caveat emptor serves as a warning that buyers have no recourse with the seller if the product does not meet their expectations.

Therefore, the assumption is that buyers will inspect and otherwise ensure that they are confident with the integrity of the product (or land, to which it often refers) before completing a transaction. This does not, however, give sellers the green light to actively engage in fraudulent transactions.

Under the principle of caveat emptor, for example, a consumer who purchases a coffee mug and later discovers that it has a leak is stuck with the defective product. Had they inspected the mug prior to the sale, they may have changed their mind.

A more common example is a used car transaction between two private parties (as opposed to a dealership, in which the sale is subject to an implied warranty). The buyer must take on the responsibility of thoroughly researching and inspecting the car?perhaps taking it to a mechanic for a closer look?before finalizing the sale. If something comes up after the sale, maybe a transmission failure, it is not the seller's responsibility. Garage sales offer another example of caveat emptor, in which all sales are final and nothing is guaranteed.

Caveat emptor was the rule for most purchases and land sales prior to the Industrial Revolution, although sellers assume much more responsibility for the integrity of their goods in the present day. People consumed far fewer goods and usually from local sources prior to the 18th Century, resulting in very few consumer protection laws (mostly limited to weights and measures). See "Product Liability: Background" for more historical information about the principle of caveat emptor.

The term is actually part of a longer statement:

*Caveat emptor, quia ignorare non debuit quod jus alienum emit* ("Let a purchaser beware, for he ought not to be ignorant of the nature of the property which he is buying from another party."")

Today, most sales in the U.S. fall under the principle of *caveat venditor*, which means "let the seller beware," by which goods are covered by an implied warranty of merchantability. Unless otherwise advertised (for example, "sold as is") or negotiated with the buyer, nearly all consumer products are guaranteed to work if used for their intended purpose.

For example, a consumer who purchases a coffee grinder that lacks the power to grind coffee beans may return the product for a full refund under an implied warranty of merchantability. But if the same buyer purchased a used coffee grinder at a thrift shop marked "sold as is," returning the product later may prove difficult.

While caveat emptor is no longer the rule for consumer transactions, it's important to know when the exception applies.
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