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Legal Insight Vol. June 2026

Thailand's Landmark 'Lemon Law' and the Major Change in Product Liability

On June 16, 2026, the Thai Cabinet officially approved the draft Liability for Defective Goods Act, widely recognized as Thailand's "Lemon Law". Proposed by the Office of the Consumer Protection Board (OCPB) and improved over a decade of legal pushes, this important development represents a fundamental restructuring of commercial relationships in Thailand. The draft law is designed to increase buyer rights, set clear rules for seller responsibility, and match local product liability rules with advanced international standards.

For years, the Thai retail market has struggled with systemic imbalances, especially regarding complex consumer goods such as automobiles, smart electronics, and machines. The upcoming passage of this law signals the end of the traditional "buyer beware" era, introducing a highly regulated, consumer-focused liability system that will require immediate operational and legal adaptation from manufacturers, importers, distributors, and financial institutions.

The existing law (Civil and Commercial Code) states that a seller is responsible for defects that impair a product's value or use, its practical application has always disadvantaged consumers due to structural barriers in finding proof. Under the current rules, the burden of proof rests entirely on the buyer. For complex technology products, this proof requirement is often impossible to overcome without high inspection costs. Furthermore, the existing law heavily favors freedom of contract, clearly allowing parties to agree that the seller will take on no responsibility for defects. Businesses are allowedto use standard contracts and warranties that effectively disclaim statutory liability, leaving consumers trapped in endless repair loops without a clear legal way to demand a replacement or refund.

However, the new draft Act removes these barriers by acting as a strict law, expressly voiding any pre-dispute contractual agreements or warranty clauses that attempt to limit the seller's liability or impose unfair burdens on the buyer. The most transformative legal mechanism in the draft Act is the automatic assumption of a defect, which strongly shifts the burden of proof from the consumer to the seller. If a product shows a defect within a specific time after delivery, the law automatically presumes the defect was a pre-existing manufacturing fault.

To avoid liability, the seller must provide technical evidence proving that the defect resulted from consumer misuse, changes made after delivery, or an outside event. The draft establishes specific presumption periods based on the product type. While general goods have a six-month protection period.

The draft Act replaces the unclear current rules with a strict list of consumer rights: repair, replacement, price reduction, and contract termination. A vital insight is an expansive jurisdictional scope, covering modern digital products and complex financing structures. The law clearly states that software and control systems installed by the seller are physical parts of the goods. In addition, the draft Act disrupts the consumer credit landscape by piercing the traditional separation between product retailers and financial institutions. The legal definition of a "seller" has been expanded to include leasing companies and hire-purchase providers.

The upcoming start of the Liability for Defective Goods Act will force a complete update of supply chain logistics, after-sales service operations, and B2B contracts across Thailand. Ultimately, companies that proactively optimize their compliance frameworks and diagnostic capabilities will secure a distinct competitive advantage in Thailand's newly elevated consumer protection landscape.

Should you have any question, please do not hesitate to contact us via info@bgloballaw.com