

What qualifies as a major failure?

A major problem with goods is when:

- you would not have bought the goods if you had known about the problem. For example, you wouldn't buy a washing machine if you knew the motor was going to burn out after three months
- the goods are significantly different from the description, sample or demonstration model shown to you. For example, you order a red bicycle from a catalogue, but the bicycle delivered is green
- the goods are substantially unfit for their normal purpose and cannot easily be made fit, within a reasonable time. For example, a ski jacket is not waterproof because it is made from the wrong material
- the goods are substantially unfit for a purpose that you told the supplier about and cannot easily be made fit within a reasonable time. For example, a car is not powerful enough to tow your boat because its engine is too small, despite you telling the dealer that you needed the car to tow a boat
- the goods are unsafe. For example, an electric blanket has faulty wiring.

A major problem with services is when:

- you would not have acquired the services if you had known the nature and extent of the problem. For example, you would not have a jacket dry-cleaned if you knew the dye would run
- the services are substantially unfit for their normal purpose and cannot easily be made fit, within a reasonable time. For example, a carpet-cleaning service changes the colour of your carpet in some places
- you told the business that you wanted a specific result but the services, and any resulting product, do not achieve that result

- you told the business that you wanted their service for a specific purpose but the services, and any resulting product, do not achieve that purpose. For example, you tell a pay TV company that you're signing up specifically to watch the football finals and they sign you up to a contract, but the finals are over before the company installs the service
- the supply of the services has created an unsafe situation. For example, an electrician incorrectly wires wall sockets in your new kitchen, which makes the electrical outlets unsafe.

Further information

If you would like to learn more about consumer guarantees, *Consumer guarantees—a guide for business and legal practitioners* offers more detailed information. The guide has been designed to help businesses, legal practitioners and consumer advocates understand the law. The guide, and other information, is available to download from the Australian Consumer Law website at www.consumerlaw.gov.au

Contact us

Office of Consumer and Business Affairs
Website: www.ocba.sa.gov.au
Phone: (08)8204 9777

For hearing or speech impairment, call the National Relay Service on 13 36 77.

For interpreting and translations services, call the Translating and Interpreting Service on 13 14 50.

A joint initiative of the Australian, state and territory governments



Consumer guarantees

A guide for consumers



Your consumer guarantees

As a consumer, the law automatically provides you with guarantees on certain goods and services. These are called consumer guarantees.

You are guaranteed that the goods you buy:

- are of acceptable quality
- match the description, sample or demonstration model you were shown
- are fit for their intended purpose
- have clear title, unless otherwise stated
- do not have any undisclosed securities (money owing on them)
- come with a right to undisturbed possession.

You are guaranteed that the services you buy are:

- provided with due care and skill
- fit for purpose
- completed within a reasonable time.

A manufacturer also guarantees the availability of spare parts and repairs and that any express warranty will be honoured.

If a good or service fails to meet a guarantee, you have rights against the business you purchased them from and, in some cases, the manufacturer who will have to provide a 'remedy'—an attempt to put right the fault, deficiency or failure.

Goods and services covered by consumer guarantees

Consumer guarantees apply to:

- any type of goods or services costing up to \$40 000
- goods or services costing more than \$40 000, which are normally used for personal, domestic or household purposes
- vehicles and trailers.

They also apply to services that:

- cost up to \$40 000 regardless of purpose or use
- cost more than \$40 000 and are normally acquired for personal, domestic or household purposes.

Goods and services not covered by consumer guarantees

Consumer guarantees do not apply to goods that:

- were bought before 1 January 2011 (these are covered under previous laws)
- were bought from one-off sales by private sellers, such as garage sales and school fetes
- were bought at auctions where the auctioneer acts as agent for the owner
- cost more than \$40 000 and are normally for business use
- a person buys to onsell or resupply
- a person wants to use, as part of a business, to manufacture, produce or repair something else.

They also do not apply to services that:

- were bought before 1 January 2011 (these are covered under previous laws)
- cost more than \$40 000 and are normally for business use
- are for the transportation or storage of goods for a business, trade, profession or occupation
- are insurance contracts.

When goods or services do not meet a consumer guarantee

When you have a problem with goods or a service, the type of 'remedy' you can ask for depends on whether the problem is classed as either a minor or major failure.

For goods, if the problem is major, you can:

- reject the goods and get a refund OR
- reject the goods and get an identical replacement, or one of similar value if reasonably available OR
- keep the goods and claim compensation for the drop in value caused by the problem.

For services, if the problem is major, you can:

- cancel the service contract with the business and claim a refund OR
- keep the contract and claim compensation for the difference in the service delivered and what was paid for.

For a major failure, you—the consumer—get to choose which option to take, not the business.

For goods, if the problem is minor, the business can:

- provide a refund
- replace the goods
- fix the title to the goods, if this is the problem
- repair the goods.

For services, if the problem is minor, the business can fix the problem:

- free-of-charge
- within a reasonable time.

The time you have to reject the good or service is however long it would reasonably be expected to last.