



Customer Service

11. Warranties

The term 'warranty' is often used to describe certain promises or guarantees that a seller makes in every sale to a consumer.

There are **statutory** warranties that apply to all consumer goods and services; there are **voluntary** warranties or 'express' warranties offered by manufacturers or some retailers (for say 12 months for a kettle, or 3 years for a fridge); and traders may also offer to sell an **extended** warranty that may or may not offer anything in addition to the statutory warranty.

Generally, consumer warranties do not apply to goods sold at auction or items sold for commercial use.

A sound guarantee policy is a powerful marketing tool. Providing guarantees, whether written or oral, demonstrates to your customers you have faith in the products you sell.

Whether you are a manufacturer, retailer or repairer, you have certain obligations in respect to warranties.

Statutory conditions and warranties

Goods must perform properly, bearing in mind their price and the way they were described. This requirement is a legal obligation, whether or not you then decide to provide a written warranty or guarantee.

Goods, and services performed, must last for a reasonable time, regardless of the warranty period set by the manufacturer. What is 'reasonable' depends on the price paid and the type of product.

The manufacturer's responsibilities

As a manufacturer you must stand by your own warranty or guarantees and ensure a reasonable supply of spare parts or repair facilities when you supply consumers goods.

You need to make sure that the goods you supply are not faulty in design or construction, and/or that you have pointed out any defects to your customers prior to purchase. This requirement applies to both manufacturers and retailers.

You may not be liable if:

- The goods become damaged after leaving your control
- The defect was brought to the customer's attention prior to purchase

The retailer's responsibilities

The goods you sell should not be faulty, should be suitable for their intended purpose or the purpose requested by the consumer and should match the description or sample provided. Your customers must become the outright owners of goods they purchase. You must explain any legal restrictions to ownership fully and clearly before purchase.

You must carry out services with due care and skill. The service should achieve the result or the purpose that was agreed upon prior to work starting. The materials you supply must be fit for that particular purpose and must be of a quality that reasonably will achieve the result the consumer wants. You may not be liable if the consumer insists on using particular materials or completing the service in a particular manner.

Consumer's right to a refund

Retailers must give a refund if:

- Goods are faulty or they become faulty soon after buying them
- Goods are not fit for their purpose
- Goods don't match the description or sample shown
- They have offered any voluntary or extra warranty or promises about refunds.

Retailers must not:

- Refuse to refund the full price of defective goods
- Make a false or misleading representation about a consumer's right to a refund
- Refuse to provide a refund for goods just because consumers don't have a receipt, provided they have other satisfactory proof of purchase.
- Limit the time in which a consumer can make a claim, within reason.

Retailers are not obliged to give a refund if customers:

- Simply change their minds about a purchase
- Discover a better deal on offer elsewhere
- Knew about a particular fault before buying the goods
- Cause damage to the goods through misuse.

Customers' obligations

To obtain redress the customer must ensure the goods are not:

- Damaged by being used in an abnormal way or by being neglected
- Disposed of, lost or destroyed.
- Reduced in value by delaying their return.

Customers must return the goods or give you details of the problem within a reasonable time after they have had a reasonable chance to inspect them or use them. Customers should also provide proof of purchase, such as a receipt or credit card slip.

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Regional Offices

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We also provide services at the following locations:

Naracoorte,
Port Lincoln,
Port Pirie, and
Whyalla

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