

Warranties and refunds

A big day out for some retail therapy is bound to leave consumers confused about their warranty rights. How many 'No Refund' signs and notices did you see on your last shopping spree? Contrary to these disclaimers all consumer transactions are automatically given warranty protection by the law.

The Trade Practices Act implies certain promises into all consumer contracts. These statutory warranties and statutory conditions are referred to as implied warranties or statutory rights. They include the right to refund if goods are defective.

When a consumer buys goods or services a statutory warranty is implied regardless of cost, country of origin or manufacturer. Statutory warranties cannot be overwritten or signed away. They give the consumer basic rights:

- » that the goods are fit to be sold
- » that the item is fit for the purpose it is intended for
- » that the item matches the description or sample given
- » that services are carried out with due skill and care.

If a consumer has a problem with an item, quite often a retailer will blame the manufacturer and vice versa. Consumers should not be put into the situation of sorting out any dispute between retailer and manufacturer. Consumers are entitled to certain remedies and it is up to the businesses involved to negotiate who is responsible for absorbing the cost. However, if consumers simply change their minds, or decide they no longer like the product, or find the items cheaper elsewhere, they are not entitled to a refund under law.

Do retailers have to give refunds?

Yes, if:

- » goods are faulty or they become faulty soon after buying them
- » goods are unfit for their purpose—which means they won't do what the consumer reasonably expected them to
- » goods don't match the retailer's description or sample
- » retailers have offered any voluntary, or extra, warranties or promises about refunds.

No, if:

- » customers simply change their minds after buying the goods
- » customers have discovered they can buy the goods more cheaply or on better terms somewhere else
- » the customer knew about a particular fault before buying the goods
- » the customer damaged the goods.

Retailers are not allowed to:

- » 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.

To claim a refund, consumers should:

- » return the goods within a reasonable time
- » not dispose of, lose or destroy the goods
- » not damage the goods
- » provide proof of purchase, such as the store's receipt or credit card receipt
- » provide details of how the goods are defective.

The rights outlined above are implied into all consumer contracts and therefore also apply when the manufacturer has sold goods directly to a consumer.

More information on warranties can be found in the easy-to-read ACCC publication *Warranties and refunds* available online at www.accc.gov.au or phone the ACCC Infocentre on 1300 302 502.

Wallet Card

