

## **ACCC Consumer Guarantee Laws**

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***Every business who provides goods - by selling, leasing or hiring - or services to consumers automatically gives certain guarantees. Your consumer guarantee responsibilities change as of 1 January 2011.***

*Information on your obligations for goods and services purchased prior to this date can be found on the warranty and refund pages at [www.accc.gov.au](http://www.accc.gov.au)*

Every business who provides goods - by selling, leasing or hiring - or services to consumers automatically gives certain guarantees.

Businesses that make goods, put them together or have their name on them also give certain guarantees.

Importers give these same guarantees, if the maker does not have an office in Australia.

If a consumer has a problem with a good they are free to approach the seller or manufacturer/importer to obtain a remedy - and you cannot tell them otherwise.

### **WHO IS 'A CONSUMER'?**

A person - or in some cases a business - will be considered a consumer if they purchase:

- goods or services that cost less than \$40,000; **or**
- goods or services that cost more than \$40,000 but are of a kind ordinarily acquired for domestic, household or personal use or consumption; **or**
- a vehicle or trailer primarily used to transport goods on public roads.

However, if goods are purchased to be resold or to be transformed into a product that is sold, the consumer guarantees will not apply.

*For example: A business that purchases a printer which costs less than \$40,000 for use in their business will be able to rely on the consumer guarantees if there is a problem with it.*

*If the business purchased the same printer to resell to consumers, it cannot rely on the consumer guarantees if there is a problem with it.*

### **ARE ANY INDUSTRIES EXEMPT FROM THE CONSUMER GUARANTEES?**

The consumer guarantees do not apply to businesses supplying gas, electricity, telecommunications services or any other good or service specified by the regulations.

It is important to note that the consumer guarantees will apply to any goods supplied by providers of electricity, gas or telecommunications services.

*For example: A telecommunications provider will need to adhere to the consumer guarantees in relation to a mobile phone which they provide to consumers but not in relation to the telecommunications service.*

## **MISREPRESENTING CONSUMER RIGHTS, INCLUDING 'NO REFUND' AND 'NO RESPONSIBILITY SIGNS**

The consumer guarantees cannot be changed, limited or refused by a seller, manufacturer or importer.

It is also against the law for a seller to do anything that leads consumers to believe their rights are limited, or do not apply-for example, by claiming that no refunds will be given under any circumstances.

Any misleading claims a business makes about consumers' rights under the consumer guarantees are invalid and do not affect a consumer's right to obtain a remedy under the consumer guarantees.

These claims are also likely to breach provisions of the Australian Consumer Law relating to false, misleading and deceptive conduct.

## **WHAT YOU CANNOT TELL A CONSUMER**

You must not tell a consumer that a consumer guarantee:

- does not exist
- may be excluded, or
- may not have a particular effect that in fact it does have.

You also must not tell a consumer that they are required to pay for any rights equivalent to a consumer guarantee.

## **'NO REFUND' AND OTHER SIGNS**

Signs that state 'no refunds' are unlawful. They imply it is not possible to get a refund under any circumstance - even when there is a major problem with the goods or service.

For the same reason, the following signs are also unlawful:

- 'No refund on sale items'
- 'Exchange or credit note only for return of sale items'

Signs that state 'No refunds will be given if you have simply changed your mind' are acceptable.

## **VOLUNTARY AND EXTENDED WARRANTIES**

You must honour any warranty or promise you make to a consumer. This includes verbal statements made by staff about what a good or service will do or how long it will last for, and also written policies about what you will do if there is a problem with a good or service.

Any business can make extra warranties or promises about their goods or services. However, they must still honour the consumer guarantees.

This means you must fix a problem when goods fail to meet a consumer guarantee, even if the consumer does not have a warranty or extended warranty, or the goods are out of warranty.

## **GIFT RECIPIENTS**

Gift recipients have the same rights and responsibilities and are entitled to the same remedies as a consumer who has bought goods directly.

## **PROOF OF TRANSACTION**

You are able to require a consumer to provide proof of purchase but a receipt is not the only valid proof of purchase. For example, a credit card statement, lay-by agreement or a stamped and dated warranty card showing where the good was purchased may be valid, alternative ways to show where the good was purchased.

## **PACKAGING**

If a consumer guarantee has not been complied with you cannot refuse to provide a remedy because goods were not returned in original packaging or wrapping.

*Information used in this briefing was provided by the ACCC*