



Retailer Guide to the Fair Warranty Charter

INTRODUCTION

The Fair Warranty Charter (the Charter) sets out the warranty rights that Australian consumers expect when purchasing goods and services. Most of these rights are contained in current law. Where laws differ between states the Charter provides for best practice. The Charter also suggests retailers should go beyond legal requirements in relation to several areas, including staff training and temporary product replacement.

A customer has the right to make a complaint if their expectations are not met. The customer has warranty rights regardless of any specific warranty provided by a manufacturer or any extended warranty.

The Retailer Guide to the Fair Warranty Charter (the Guide) provides more detail and explanation of retailer obligations under the Charter. Any business who is considering signing-up to the Charter, may find it helpful to read the Guide to provide more context.

1) IN-STORE INFORMATION

This section focuses on providing consumers with clear and accurate information about all their warranty rights in-store.

Statutory warranty rights

Statutory warranty rights exist independently of any specific warranty provided by a manufacturer or any extended warranty the customer may decide to purchase.

Extended warranties

The retailer should not sell extended warranties unless it first provides a clear and accurate explanation of the customer's statutory and manufacturer's warranty rights.

If the retailer offers extended warranties, the customer is entitled to a clear explanation of their rights under the extended warranty, and how these rights relate to their statutory warranty rights and any manufacturer's warranty.

2) WARRANTY RIGHTS

This section explains what rights consumers are entitled to under statutory warranty.

For GOODS, statutory warranty rights include that the goods:

- **Are of merchantable/acceptable quality** – they work the way you'd expect it to, given the price and how the goods are described

- **Are fit for purpose** – they do the job the customer told the retailer, or that was implied
- **Match description or sample** – they match any sample presented either in person, on the labelling or packaging, or in any ads
- **Are free from defects** – there are no hidden defects. If any exist, they should be pointed out prior to sale

For SERVICES statutory warranty rights include that:

- **Any service must be carried out with due care and skill** – the work should be of a standard you'd expect of a person in the particular trade or profession
- **Any materials supplied in connection with the service must be reasonably fit for the purpose for which they are supplied** – they must achieve the result the customer wants

Application

Customer statutory warranty rights apply automatically by law to all purchases of good and services and do not depend on any other warranty, such as a manufacturer's warranty or extended warranty.

Timing

Legal warranty rights are not limited to a pre-determined time-period.

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Retailer Responsibility

It is the retailer who has the obligation to honour the statutory warranty. The retailer cannot legally require that the customer contact the manufacturer.

The customer may choose their remedy

Where a product or service fails to meet one of the warranty requirements, it is the customer who has the right to decide on the remedy; either repair, refund or replacement. If the retailer is unable to meet the consumer's wishes it is reasonable to try and negotiate an acceptable form of redress/solution.

The retailer should not mislead the customer

The retailer should avoid confusing or misleading the customer about their warranty rights. The retailer should not create the impression that:

- The retailer is entitled to determine if goods will be repaired, refunded or replaced, or for services, is entitled to determine if the service is redone or refund provided.
- refunds are not available in any circumstance
- refunds are available at the sole discretion of the retailer
- refunds are not available on sale items

3) COMPENSATION/TEMPORARY PRODUCT REPLACEMENT

When a customer chooses to have a product repaired, or replaced, the retailer should offer the customer a temporary replacement until the product is fixed, or the replacement has been provided, to cover any inconvenience.

The retailer should also bear any transport/freight costs incurred in providing repair, replacement or refund. The law does not permit the retailer to charge the customer for transport/freight to provide repair, replacement or refund

4) COMPLAINTS

The retailer should respond directly to customer complaints in a timely manner, as required by law. It should not ask or require the customer to contact the manufacturer when the customer requests repair, refund or replacement of goods covered by a statutory warranty.

5) TRAINING

The retailer should train its staff and managers so that they have a clear understanding of their obligations to the customer under statutory warranties, any manufacturer warranties and any extended warranties.

This includes referring dissatisfied customers to the relevant state or territory consumer agency.

6) GENERAL

Retailers which are signatories to the Charter should display the Charter prominently.

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