

AUSTRALIAN CONSUMER LAW – WARRANTIES AND CONSUMER GUARANTEES

Warranties may be provided by manufactures and suppliers. It is important to remember that warranties do not replace the Consumer Guarantees relating to goods and services provided under the Australian Consumer Law (ACL). This fact sheet provides general information on the simultaneous application of manufacturer/supplier provided warranties and the Consumer Guarantees.

Warranties

A warranty is a promise made by a manufacturer or a supplier to a consumer. Unlike the Consumer Guarantees which automatically apply under the ACL, a warranty is a promise made to a consumer at the choice of a manufacturer or supplier and operates as a contract between the person giving the warranty and the consumer. This means that the warranty should be applied in accordance with the warranty terms and conditions.

There are several types of warranties that may be made by manufacturers or suppliers. A warranty against defects (also referred to as a manufacturer’s warranty), is a promise about what the person giving the warranty will do if the product is faulty. An extended warranty extends a warranty. An express warranty, where a verbal or written promise is made about a product, such as the characteristics of the product or how long the product will last.

Consumer Guarantees

The ACL provides statutory guarantees relating to the supply of goods and services to consumers (**Consumer Guarantees**). The Consumer Guarantees cannot be contracted out of. For more information regarding Consumer Guarantee and the application of Consumer Guarantees please refer to our fact sheet “Australian Consumer Law – Consumer Guarantees”.

Application of Warranties and Consumer Guarantees

If a warranty is given for a product the Consumer Guarantees will continue to apply and will not be limited in any way.

This means that if a consumer approaches a business (a manufacturer or supplier) regarding a good or service and the business advises that the warranty does not apply in the circumstances, then the Consumer Guarantees may still be applicable in respect of the goods or services. The consumer may still seek a remedy pursuant to the Consumer Guarantees.

As noted, a warranty operates as a contract between the consumer and the business which will apply according to its terms and conditions. This means that a warranty may be more restrictive in its application than the Consumer Guarantees.

Additionally, Consumer Guarantees apply for a reasonable period depending on the nature of the product. This means that the Consumer Guarantees may continue to apply even when the warranty period in relation to the same product has expired.

Need assistance?

Industry Legal Group provides members with information and advice on consumer law matters, including assistance addressing warranty and consumer guarantee issues. Assistance extending beyond general advice will be charged on a fee for service basis and we will provide you with a fee estimate on request or within a general advice provide to you. AAAA members have access to a discounted rate for our services. Please contact Industry Legal Group on **1300 369 703** or aaaa@industrylegalgroup.com.au if you have any questions relating to this fact sheet or to discuss any consumer law issues that arise.

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