Repair, Replace, Refund Law

If a product or service you buy fails to meet a consumer guarantee, you have the right to ask for a repair, replacement or refund under the Australian Consumer Law. The remedy you're entitled to will depend on whether the issue is major or minor.

Repair, replacement or refund

You can ask a business for your preference of a free repair, replacement or refund, but you are not always entitled to one. For example, the consumer guarantees do not apply if you got what you asked for but simply changed your mind, found it cheaper somewhere else, decided you did not like the purchase or had no use for it.

See: Exceptions to consumer guarantees

If you have a **minor problem** with a product or service, the business can choose to give you a free repair instead of a replacement or refund. When you have a **major problem** with a product, you have the right to ask for your choice of a replacement or refund. For a major problem with a **service**, you can choose to receive compensation for the drop in value below the price paid, or a refund.

Repairs

If the problem with a product or service is minor, you must accept a free repair if the business offers you one.

If the business fails to give you a free repair within a reasonable time or cannot fix your problem, you can:

- get it done elsewhere and pass on the costs to the business
- ask for a replacement
- ask for a refund
- recover compensation for the drop in value below the price paid.

Repair notices

Under the Australian Consumer Law, businesses accepting goods for repair must provide consumers with <u>repair notices</u> when:

- the goods being repaired are capable of retaining user-generated data, for example, mobile phones, computers, portable music players and other similar electronic goods
- it is the repairer's practice to supply refurbished goods rather than repair defective goods, or to use refurbished parts in the repair of defective goods.

The consumer must receive the repair notice in writing before the goods are accepted by the business for repair.

Replacements and refunds

You can ask for a replacement or refund if the problem with the product is major.

Replaced products must be of an identical type to the product originally supplied. Refunds should be the same amount you have already paid, provided in the same form as your original payment.

The business may take into account how much time has passed since you bought the product considering the following factors:

- type of product
- how a consumer is likely to use the product
- the length of time for which it is reasonable for the product to be used
- the amount of use it could reasonably be expected to tolerate before the failure becomes noticeable.

For a major problem with services you can cancel the contract and obtain a refund or seek compensation for the drop in value of your services provided compared to the price paid.

What is a major problem?

A product or good has a major problem when:

- it has a problem that would have stopped someone from buying it if they'd known about it
- it is significantly different from the sample or description
- it is substantially unfit for its common purpose and can't easily be fixed within a reasonable time
- it doesn't do what you asked for and can't easily be fixed within a reasonable time; or
- it is unsafe.

A service has a major problem when:

- it has a problem that would have stopped someone from buying it if they'd known about it
- it is substantially unfit for its common purpose and can't easily be fixed within a reasonable time
- it does not meet the specific purpose you asked for and cannot easily be fixed within a reasonable time
- it creates an unsafe situation.

Returning the product

You are entitled to return a product if you believe that there is a problem. You are generally responsible for returning the product if it can be posted or easily returned. You are entitled to recover reasonable postage or transportation costs from the business if the product is confirmed to have a problem, so keep your receipts.

When a product is too large, too heavy or too difficult to remove, the business is responsible for paying the shipping costs or collecting the product within a reasonable time of being notified of the problem. Examples include:

- a wide screen TV
- a bed
- an extension ladder stuck in the extended position

• a product that has been subsequently installed, like a stove or a dishwasher.

You **do not** have to return products in the original packaging in order to get a refund.

If the product is found **not** to have a problem, you may be required to pay the transport or inspection costs. An estimate of these costs should be provided to you before the product is collected, and the costs must not be inflated in an attempt to deter you from pursuing your claims.

Approaching the retailer or manufacturer

The retailer who sold you the product or service cannot refuse to help you by sending you to the manufacturer or importer. You can approach the manufacturer or importer directly, however, you will only be entitled to recover costs from them, which include an amount for reduction in the product's value and in some cases <u>compensation for damages or loss</u>. You cannot demand a repair, replacement or refund from the manufacturer.

See also: Who to claim a remedy from

'No refund' signs and expired warranties

It is against the law for businesses to tell you or show signs stating that they do not give refunds under any circumstances, including for gifts and during sales.

Your rights under the consumer guarantees do not have a specific expiry date and can apply even after any warranties you've got from a business have expired.