

Consumer and Fair Trading

Businesses that sell goods guarantee that the goods:

- are of acceptable quality - the goods must be safe, lasting, have no faults, look acceptable and do all the things someone would normally expect them to do
- are fit for any purpose that the consumer made known to the business before buying (either expressly or by implication), or the purpose for which the business said it would be fit for
- have been accurately described
- match any sample or demonstration model
- satisfy any express warranty
- have a clear title, unless you otherwise advise the consumer before the sale
- come with undisturbed possession, so no one has the right to take the goods away from or to prevent the consumer from using them
- are free from any hidden securities or charges
- have spare parts and repair facilities reasonably available for a reasonable period of time, unless the consumer is advised otherwise.

Manufacturers and importers guarantee that their goods:

- are of acceptable quality
- have been accurately described
- satisfy any manufacturer's express warranty
- have spare parts and repair facilities reasonably available for a reasonable period of time, unless the consumer is advised otherwise

If the guarantees are not met, the client is entitled to a remedy which is usually a replacement, repair, refund or compensation for any loss. It is a seller's responsibility that their goods meet the guarantees. Some options if the problem is major and cannot be fixed:

- reject the goods and obtain a full refund or replacement, or
- keep the goods and seek compensation for the reduction in value of the goods.

Objectives of Consumer Law

- To establish guidelines of acceptable and unacceptable conduct by sellers and buyers.

- To imply terms into contracts to help and safeguard consumer interests as the weaker party in most transactions.
- To provide information that will benefit all parties in commercial transactions.
- To encourage alternative dispute resolution of consumer complaints, particularly through mediation and conciliation.
- To provide remedies in the event that one of the parties to a consumer agreement does not meet their legal obligations.

When you don't need to give a refund

- Worth more than \$40 000 and used only for business
- Change of mind
- Misuse of product or service that contributed to the problem
- Out of business' control

Refunds and Replacements

- If there is a major problem, the consumer has the right to a refund or replacement
- Replacement products must be similar to the original product
- Refunds should be the same amount paid and given back in the same form
- Business can consider factors when replacing or refunding. Type of product, length of time product is used, amount of time product should last
- Major problems - someone wouldn't buy it if they know about problem, unsafe, different to sample or description, unfit for purpose

Reimbursement

- Is available for request for damages and losses if the supplier could have reasonably anticipated the problem
- Includes financial, lost time and productivity