



Are your 2012 Warranty Documents in Breach of the CCA?

From 1 January 2012 companies that do not comply with Regulation 90 of the Competition and Consumer Act 2010 when providing warranty against defects documentation to a consumer, face potential penalties.

When a supplier provides warranties with goods sold to consumers it is generally the case that companies will agree to repair or replace defective goods. Such warranties are normally set out in a warranty card accompanying the product.

Regulation 90 requires that companies must provide certain information with the warranties they provide to consumers. The information prescribed by the Regulations is extensive and includes how the consumer can claim under the warranty, details of the supplier and a mandated set of wording which sets out the consumer's rights.

The requirements only apply if the warranty against defects is made to a 'consumer'. In general, a person is a consumer if they acquire goods or services and:

- the price for the goods or services is \$40,000 or less; or
- the goods or services in question are of a kind ordinarily acquired for personal, domestic or household use or consumption.

Failure to comply with the new warranty information requirements could expose suppliers to fines of up to \$50,000 per offence for bodies corporate and \$10,000 for individuals.

Action to Take

Companies should review and, if necessary, revise their 2012 warranty documentation to ensure compliance with the new requirements.

Please contact Ed Browne, Partner ed.browne@madgwicks.com.au 9242 4781 or Michael Levy, Senior Associate michael.levy@madgwicks.com.au 9242 4792 for any queries.



Ed Browne
Partner
03 9242 4781
ed.browne@madgwicks.com.au



Michael Levy
Senior Associate
03 9242 4792
michael.levy@madgwicks.com.au