



MEDIA RELEASE

DR CRAIG EMERSON

Minister for Small Business, Independent Contractors and the Service Economy
Minister for Competition Policy and Consumer Affairs
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Be aware of your consumer rights this holiday season

Federal Consumer Affairs Minister Dr Craig Emerson today advised consumers to be aware of their rights if returning goods post-Christmas.

These rights are summarised below.

FIVE THINGS TO REMEMBER ABOUT WARRANTIES AND REFUNDS THIS CHRISTMAS

Dr Emerson said that, when shopping, consumers should know that:

- A retailer can't refuse to provide a repair, replacement or refund simply because you do not have the original packaging for an item.
- A consumer is entitled to a refund, replacement or repair, from the retailer when the product:
 - is not of 'merchantable quality', which means the goods or services aren't of the quality the consumer could reasonably expect for the price they pay;
 - doesn't match the description the retailer provided;
 - doesn't match a sample the retailer provided; or
 - if the consumer told the retailer about the purpose for which the goods were needed and the goods were not fit for that purpose.
- Consumers aren't always entitled to a refund if they simply change their mind about a product. During the Boxing Day sales in particular consumers should make sure that they check with the retailer about refund and exchange policies for customers who change their minds.
- These rights apply to any type of product, including second-hand goods. Retailers or manufacturers can't tell consumers that they don't apply – either at the point of sale or in a contract.
- Not all of these rights apply to goods bought at an auction – either in person or online. At an auction, you should beware.

A recent study found less than 20 per cent of Australians know their legal rights when they buy a good or service.

The study, by the National Education and Investigation Advisory Taskforce, also found that consumers are spending, on average, almost six hours trying to resolve problems with purchased goods and services.

The Christmas period is always a busy time for consumers and retailers and last year Australian consumers spent over \$19 billion in December.

"Problems with goods and services are estimated to cost Australian consumers more than \$2 billion a year," Dr Emerson said.

"I am concerned that consumers don't have the information they need to deal with businesses effectively when something goes wrong.

"These rights are in national, state and territory laws, and apply to all forms of consumer products, ranging from cars to toasters.

"Consumers have these rights regardless of what a retailer or manufacturer might say."

To help speed up the process, shoppers should keep receipts and retain the packaging for a few days to make it easier for retailers to process claims should customers need to return an item.

However, retailers can't refuse to assist with a problem simply because a customer doesn't have the original packaging.

In addition to informing consumers about their rights, Dr Emerson said the Rudd Government's new Australian Consumer Law will include a much simpler approach to these rights and will make them nationally consistent for the first time.

The new law will come into force on 1 January 2011.

"In time for the 2011 January sales Australian consumers will be able to rely on simpler legal rights about the goods and services they buy," Dr Emerson said.

"These consumer guarantees will make the law easier for consumers and businesses to understand."

The Australian Competition and Consumer Commission can provide additional information about consumer rights, including warranties, and can be contacted on 1300 302 502.

A comprehensive guide for consumers on warranties and refunds prepared by the Australian Competition and Consumer Commission can be found at: <http://www.accc.gov.au/content/index.phtml/itemId/322947>.

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