

Returning goods: Know your rights

M asks what his rights are if he wants to return goods.

In an increasingly competitive marketplace, it is becoming standard for retailers to allow customers to return goods simply because they have changed their minds.

However, retailers do not legally have to do so (unless they have a “no questions asked” refund policy).

Legally, such a return is required only if the goods are faulty.

Then the Consumer Guarantees Act 1993 (“the Act”) requires the retailer to resolve the problem.

If faulty goods are returned, a retailer can choose one of the three Rs in response: repair, replace or refund.

In the case of repair, if the retailer cannot or does not fix the problem within a reasonable time, the customer is entitled to have the goods fixed elsewhere and recover the costs from the retailer.

If the goods cannot be fixed or the fault is substantial, the customer can demand the retailer take back the goods and provide a refund or replacement.

Alternatively, under the Act, the customer may claim compensation for the loss of value of the goods.

Though uncommon, this means paying compensation to an amount equal to the worth of the goods with the fault, compared to what the customer paid for them.

If you cannot agree on reasonable compensation, you may have to go to the Disputes Tribunal or court.

Finally, the customer can also claim damages for any loss or damage suffered resulting from the failure.

To claim such damages, it must be reasonably foreseeable that the loss or damage would result from that failure.

For example, if a freezer stops working and causes \$200 worth of frozen food to spoil, the retailer may have to pay \$200 to the customer, in addition to resolving the



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ranty with the goods, the customer has separate rights. That means the consumer can still choose to bring the product back to be fixed, even if it is also covered by a manufacturer’s warranty.

The retailer may still have to fix the problem, even if the manufacturer’s warranty has expired. That is because a manufacturer’s warranty lasts only for a specific time, while the rights under the Act last as long as a “reasonable” person would expect the goods in question to last.

So, for example, it is reasonable to expect that a fridge would last longer than two years, even though it came with a two-year manufacturer’s warranty.

The Consumer Guarantees Act does not apply to goods bought for business purposes.

Therefore, the relationship is determined by any contract you have signed or the Sale of Goods Act 1908.

Goods must be fit for the purpose for which they are sold, so if they are faulty or break you can make a claim.

However, if you have a supply contract, check it carefully, because there are certain provisions that a supplier can contract out of under the Sale of Goods Act 1908.

■ Column courtesy of Rainey Collins Lawyers, phone 0800 733 484. If you have a legal