

## **D: Know The Law - Warranties And Guarantees**

From the 31<sup>st</sup> March 2003 the **Sale and Supply of Goods to Consumer Regulations 2002** apply to guarantees. The regulations provide that where a guarantee is supplied with the goods, then that guarantee provides an additional legally binding contract with the supplier of the guarantee. This is commonly the manufacturer of the goods. You may choose to pursue a claim under either the contract for the sale of the goods or under the guarantee.

Sometimes it may be better to make a claim under a guarantee or warranty, which may give you rights in addition to your statutory rights, see Know the Law - Your Rights when Buying Goods. This may be particularly relevant in cases where the supplier of the goods or services has gone out of business or are simply refusing to sort out the problem.

### **Claiming under a Guarantee**

If you intend to claim on a guarantee or warranty, you should first of all: -

- read the terms very carefully to make sure that what you are claiming for is actually covered;
- make sure that your claim is being made within any time limits;
- find out if there are any extra costs involved. Will you be expected to pay a proportion of the costs?
- check whether you have to pay the cost of the work yourself and then claim it back from the guarantee company at a later date, or whether there is a callout charge payable before the company will carry out any work.

## **Remember**

- You may still rely on your statutory rights against the seller (see Know the Law – Your Rights When Buying Goods);
- You may be able to take action against the company providing the guarantee for breach of contract, but seek further advice.
- The **Limitations Act 1980** puts a limit of 6 years on claims for breach of contract.

## **Insurance Backed Guarantees**

If you are offered insurance backed cover, make sure that you get a certificate of insurance giving details of the insurance company. Many insurance backed schemes relating to building work only come into effect if the supplier of the service goes into liquidation or becomes bankrupt.

Extended warranties that are sold to cover repair costs can be expensive and you should consider the cost of the cover against any likely repair bills.

## **The Supply of Extended Warranties on Domestic Electrical Goods**

### **Order 2005**

On 6<sup>th</sup> April 2005 The Supply of Extended Warranties on Domestic Electrical Goods Order 2005 came into force. This gives consumers extra rights with regard to extended warranties on domestic electrical items.

This includes: small appliances such as kettles, toasters, hairdryers, photographic equipment, brown goods including: TV's, DVD's, Video recorders, Satellite TV systems, etc., grey goods including: P.C's, laptops, mobile phones, printers, scanners, etc., garden equipment such as lawn mowers, gym equipment, sun beds, electronic games and toys.

Fixed installations such as boilers or air conditioning are not intended to be covered by these rules. However, electrical appliances integrated as part of a fitted kitchen are included. Watches and other battery powered jewellery are also excluded.

Retailers have to:

- ❑ Show the price of the extended warranty alongside electrical goods, in store and in adverts;
- ❑ Give consumers information about statutory rights, cancellation rights and details of the warranty;
- ❑ Give consumers 45 days to cancel their extended warranty, including a written reminder of this right and the right to cancel at any time and receive a pro-rata refund;
- ❑ Offer the extended warranty on the same terms for 30 days if the consumer chooses not to buy it there and then;
- ❑ Any discounts tied to the purchase of the extended warranty must also be available for 30 days;
- ❑ Inform consumers about whether or not their warranty provides financial protection in the event of insolvency and;
- ❑ Inform consumers whether their warranty will be cancelled in the event of a claim being made.

**For further advice on any of these issues contact  
Trading Standards on 01925 442678**