

**Consumer
Protection**

Your consumer rights Products

How the Consumer Guarantees Act
can protect you.



MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

New Zealand Government

How to use this booklet

This booklet helps you to solve product issues.
It includes information on all parts of the process –
from your rights, to how to make a complaint.

Connect your issue to the Consumer Guarantees Act

- Use our flow chart to see which guarantee best fits your issue. –
page 4
- Turn to the page given in the flow chart to learn more about your
guarantee.

Contents

Your rights as a shopper	3	Refund, replacement, repair	18
Where your issue fits in the Consumer Guarantees Act (CGA).....	4	If a fault causes extra losses ...	21
Guarantees for products.....	6	Buying online.....	23
When the CGA doesn't apply ..	13	Second-hand shopping	24
Warranties vs CGA	14	Buying on credit	25
Is it a minor or major issue?	16	How to resolve your issue	26
		Complaint notes.....	28

Your rights as a shopper (consumer)

When buying products in New Zealand, you have rights under different laws. One of the main laws for shopping and buying is the Consumer Guarantees Act (CGA).

It does two things:

1. Sets minimum standards (guarantees).
2. Gives possible solutions if something doesn't meet these standards (remedies).

The CGA covers products and services. If your issue is with a service provider, e.g. hairdresser, builder, plumber, lawyer or doctor, see our services booklet.

Your consumer rights : Services



These laws also protect consumers:

- **Fair Trading Act** – businesses and sellers cannot mislead or deceive you. Also covers product safety and special rules for laybys or buying from uninvited sellers, e.g. telemarketer, truck shop.
- **Credit Contracts and Consumer Finance Act** – lenders must act responsibly when lending you money.

For more on the Fair Trading Act and the Credit Contracts and Consumer Finance Act, see **Consumer Laws** on consumerprotection.govt.nz and our other booklets.

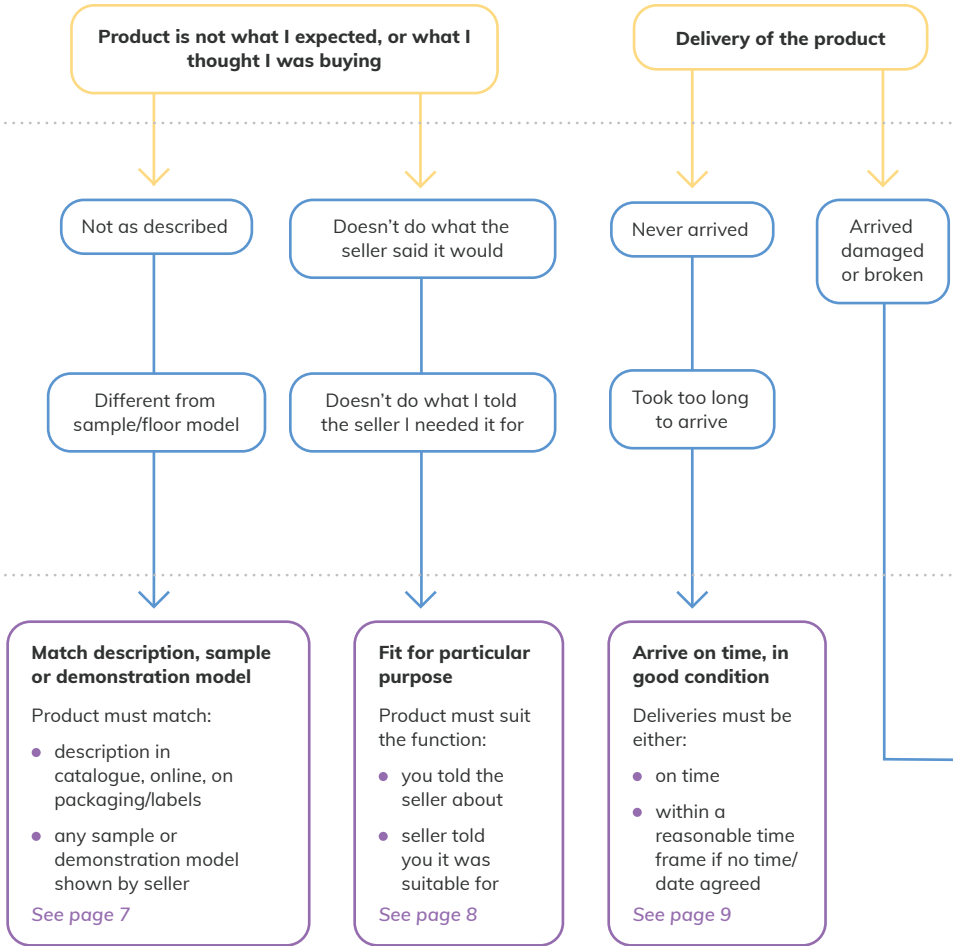
Where your issue fits in the Consumer Guarantees Act (CGA)

Start with the statements at the top of the chart. Pick one that best matches your issue. Follow the arrows to find the relevant CGA guarantee. You might be covered by more than one part of the Act.

My issue:

Your issue in detail – find one or more that apply:

Your rights under the Consumer Guarantees Act:



My problem isn't on the chart

For less common guarantees, see:

- Reasonable price – **page 11**
- Right to sell product – **page 12**
- Spare parts and repair facilities – **page 11**

The CGA doesn't cover your issue if you:

- simply change your mind
- damage it yourself, e.g. dropping your phone
- buy privately, e.g. garage sale
- misuse or alter it, e.g. ignore instructions
- know about any faults or flaws before you buy
- buy commercial products for private or household use, e.g. commercial microwave, industrial machinery
- buy products to resell
- buy products used up in manufacturing, e.g. using cement to make concrete
- rely on someone other than the seller's advice, and that causes the problem.
- are a business dealing with another business, and you agree in writing to opt out.

Product doesn't work – and it's not my fault

Didn't last long

Breaks easily

Doesn't do the job it's made for

Unsafe

Flaws or faults

Quality doesn't match what I paid for it

Acceptable quality

Product must be:

- fit for its normal purpose
- acceptable in appearance
- free from flaws
- safe and durable

See **page 6**

If your manufacturer's warranty has expired, the acceptable quality guarantee may still apply. See **page 14**

Guarantees for products

When you buy a product, it must meet guarantees set by the Consumer Guarantees Act (CGA). Follow the chart (see page 4) to see which guarantee(s) cover your issue. Here are detailed descriptions of each CGA guarantee.

Acceptable quality

A product must be:

- fit for its normal purpose, e.g. a fridge keeps food cold
- acceptable in finish and appearance, e.g. a new phone without scratches
- free from defects or flaws, e.g. clothing with no broken zips or missing buttons
- safe, e.g. a phone charger shouldn't spark when plugged in
- durable, e.g. last for a reasonable amount of time without breaking.

A product meets this guarantee if a reasonable consumer would find it acceptable.

To decide if your product is of acceptable quality, think about:

- product type – a fridge should last longer than a pen, and something bought second-hand will show signs of use and may break sooner than a new product
- price paid – an expensive product should be better quality than a cheaper version
- any product information in advertising or on the packaging
- any statement the seller or supplier makes, including product history, quality or condition – and if a seller tells you about an issue before you buy, you cannot return the product because of that issue
- type of seller, e.g. products from an official retailer are likely to be better quality than from an online auction
- other relevant factors, e.g. how soon the product develops an issue.

Example: Acceptable quality

Sally buys a new fridge. A month later the door seals start to peel off. The seller agrees the seals are expected to last much longer than that. The seller repairs the fridge free of charge.



Match description, sample or demo model

Many products are sold with a description. The product you get must be the same as:

- the description in a catalogue, online, or on packaging or labels
- any sample or demonstration model the seller shows you.

This guarantee is most important when you cannot touch or look at the product, e.g. buying online or mail order.

Example: Didn't match description

Justine buys a dress online. When it arrives, it's made from a different fabric. She emails the seller for a refund, with photos of the delivered dress and a screenshot of its description from the online store.



Example: Not fit for purpose

Bryce tells a seller he needs a washing machine for five sets of overalls. He buys the model they suggest, but even its heavy wash doesn't clean the overalls. Bryce complains. The seller agreed to a refund as it doesn't suit Bryce's needs.



Fit for a particular purpose

Products must suit the function:

- you asked the seller about
- the seller told you it was suitable for.

This is different from being fit for the product's normal purpose, which is part of the **Acceptable quality** guarantee.

If you don't follow the seller's advice, this guarantee doesn't apply. For example, the seller recommends a specific watch for diving to 50m but you choose a different one.

Fit for particular purpose

The product should do the specific thing you need it for, if either:

- you told seller of this need
- seller told you it would do this.

For example, you tell the seller you need to toast 4 slices at once or a toaster with a bagel setting.

Fit for normal purpose

The product should do what it is meant to, e.g. a toaster that toasts bread, a fridge that keeps food cold.

Arrive on time and in good condition

If delivered, products must be of acceptable quality when you receive them. See Acceptable quality.

(see page 6)

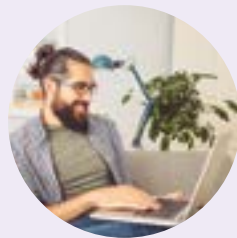
The delivery must also:

- arrive on time
- within the agreed time period
- within a reasonable time if no delivery time agreed.

If a product arrives very late, you can reject it.

Example: Delayed delivery

Hemi orders a BBQ online. Two months later, the BBQ hasn't arrived. The seller says it will be another 10 days. This is not a reasonable time for delivery, so Hemi asks for a refund.



Manufacturer's warranty

The Consumer Guarantees Act gives you rights whether or not the product you bought came with a manufacturer's warranty.

Manufacturers do not have to provide a written warranty with their products. If they do, they must follow the warranty's terms and conditions.

If the manufacturer's warranty expires, you may still have rights under the CGA. The Consumer Guarantees Act says a product should be durable and last a reasonable amount of time.

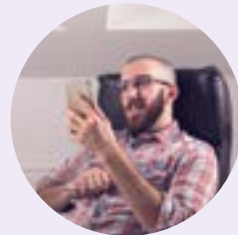
For an item like a fridge or major appliance, a reasonable time could be beyond the standard manufacturer's warranty.

But if you don't follow the product's instructions, you may lose your rights under the warranty and the CGA. Examples include using a different charger with your phone or laptop, or overfilling a washing machine.

For information about extended warranties and how these compare to your free legal rights, [\(see page 14\)](#).

Example: Reasonable amount of time

Three months after its 12-month manufacturer's warranty expires, Caleb's phone stops charging. The seller checks for faults, or signs Caleb damaged it. Once satisfied Caleb did not cause the issue, the seller fixes the phone for free – Caleb's rights are covered by the CGA.





If you think the price is unreasonable, but you pay without saying something, you have agreed to that price. You can't dispute it later.

Reasonable price

Usually the price of a product is made clear before you buy it. When you see the price and then buy it, you have agreed to that price.

If there is no clear price, and you have not yet paid for the product, you only have to pay a reasonable price – meaning what other sellers charge for the same or similar products.

Make sure to ask the price before you buy.

Spare parts and repair facilities available

Manufacturers and importers must either:

- supply parts and services themselves
- make sure parts and services are available through other sellers.

Manufacturers or importers can opt out of this guarantee by giving you notice before, or when, you buy the product that spare parts and repairs are not available, or will be limited. This notice could be given in a number of ways, e.g. on packaging, or seller may tell you.

The guarantee only applies to new products, and to the first purchaser of imported secondhand products.

Right to sell products

The seller should be able to pass all ownership rights (or title) in the products to you.

This means they guarantee:

- they have the right to sell the product
- no other person has a claim or right over the product
- you have the right to “undisturbed possession” of the product, e.g. no risk of repossession by a previous owner’s finance company.



The product could still be repossessed if:

- You buy on credit and get behind on payments. If your contract gives the finance company the right to repossess – and you were given a copy of the contract – it can be taken to pay back what you owe.
- You didn't pay full price when you bought the product, and before you bought it, you were told in writing that it could be taken back if the balance isn't paid within a certain time.

Sellers can sell secondhand products with a registered security interest, e.g. a car they are still paying off. But they must tell you – and their finance company – before you buy.

When the CGA doesn't apply

Consumer guarantees do not apply if you:

- buy privately, e.g. from a friend
- simply change your mind
- damage a product yourself by accident or on purpose, e.g. drop it
- misuse or alter a product, e.g. ignore instructions
- know of an issue before you buy, e.g. seller tells you about a fault
- rely on someone else's advice, and that causes the problem
- buy a commercial product, e.g. industrial machinery
- buy products to resell or use in manufacturing
- are a business dealing with another business, and you agree in writing to opt out of the CGA. The agreement must be fair and reasonable.

The CGA does not apply to:

- money
- buildings or parts of buildings attached to land for residential accommodation
- products and services donated to you by charity.

Example: Private sale

Sophie buys a bike from a friend. The chain breaks. Her friend won't return the money. The Consumer Guarantees Act does not apply because Sophie bought the bike privately.



Sellers must not tell you the CGA does not apply when it does. Nor can sellers ask you to sign a contract removing your rights.

Warranties vs CGA



If your manufacturer's warranty expires, the Consumer Guarantees Act (CGA) may still apply. It covers you if you have extra warranties or not.

A warranty can be:

- **manufacturer's warranty** with all new products
- optional **extended warranty**, which you pay extra for.

If an extended warranty doesn't give you more protection than the CGA, it probably isn't worth the cost.

Extra protection could be:

- cover for accidental damage – but your home or contents insurance might cover this already
- buying for business use, as the CGA will not apply.

Consumer Guarantees Act

- Free.
- Gives guarantees for products bought for personal use in NZ ([see page 6](#)).
- Can cover you after manufacturer's warranty expires.

Manufacturer's warranty

- Free or included in price.
- Maker guarantees to repair or replace faulty products in a set time frame.
- Not usually more rights than the CGA.

Extended warranty

- Costs extra.
- Gives protection for longer than manufacturer's warranty, with specific rights.
- Only worth buying if it gives extra rights on top of the CGA.
- Should outline what it covers you for beyond the CGA.



When you buy an extended warranty, the seller must show you the contract which gives a comparison with the CGA – check if the warranty gives extra rights above your free legal rights.

Cancelling an extended warranty

You can cancel the extended warranty by giving notice verbally or in writing:

- within five working days of being given a copy of the warranty
- at any time if you weren't given full or complete information (also called disclosure)

The seller must then repay you the full price for the warranty.

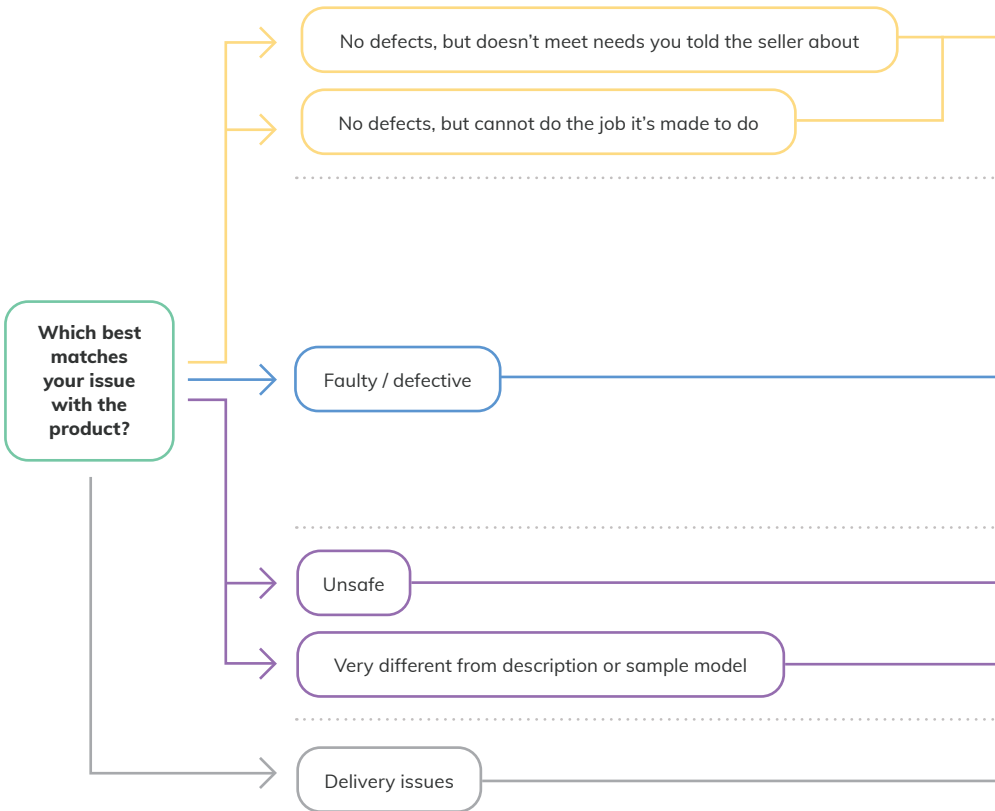
Example: Warranty

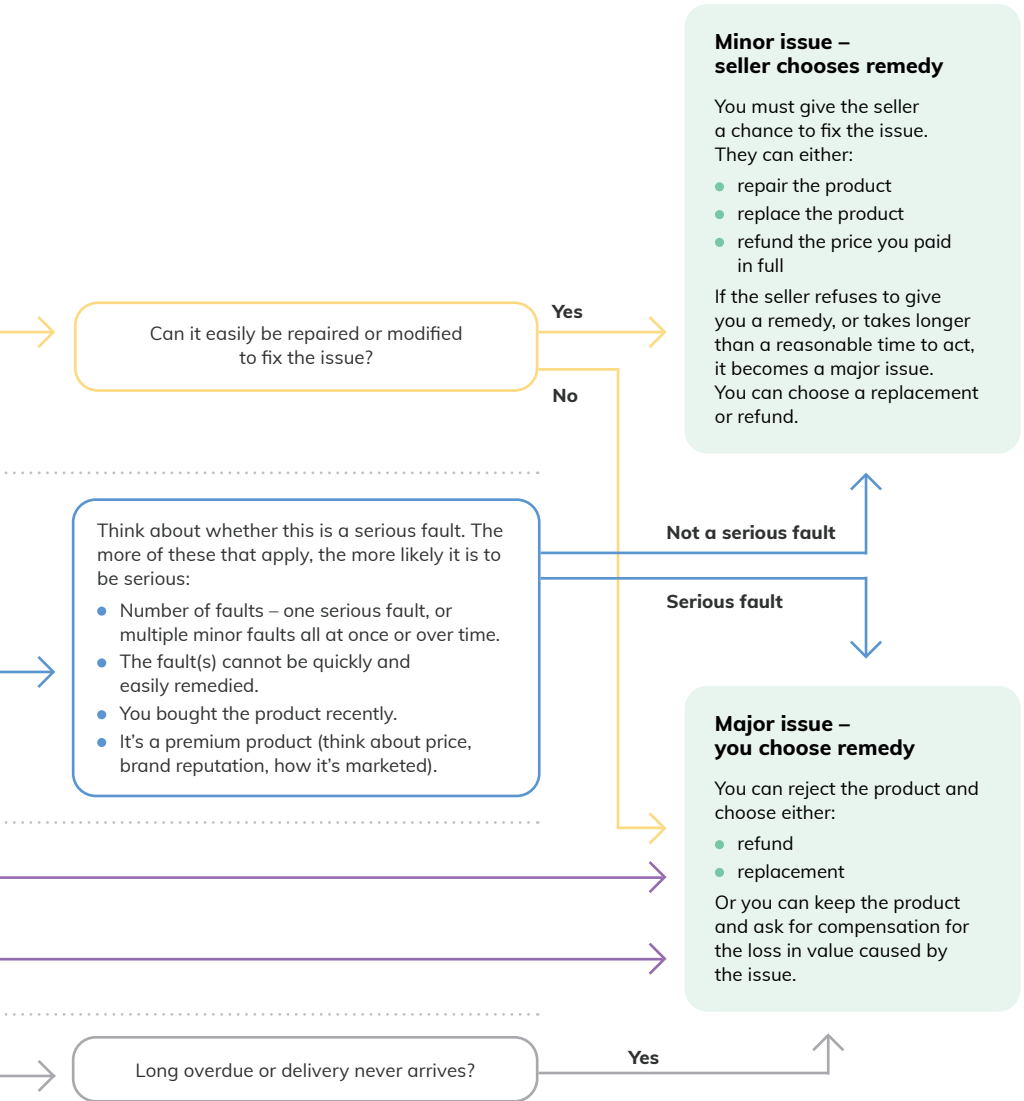
Peter buys a new laptop. He's offered a 3-year extended warranty covering accidental damage on top of the manufacturer's 1-year warranty. As his contents insurance includes accidental damage, Peter decides not to buy the extended warranty.



Is it a minor or major issue?

The Consumer Guarantees Act sets out solutions (remedies) if products do not meet its guarantees. If your issue is covered by the Act, use this flowchart to see which remedies apply.





Minor issue – seller chooses remedy

You must give the seller a chance to fix the issue. They can either:

- repair the product
- replace the product
- refund the price you paid in full

If the seller refuses to give you a remedy, or takes longer than a reasonable time to act, it becomes a major issue. You can choose a replacement or refund.

Major issue – you choose remedy

You can reject the product and choose either:

- refund
- replacement

Or you can keep the product and ask for compensation for the loss in value caused by the issue.

Refund, replacement, repair

The Consumer Guarantees Act sets out solutions (remedies) if products do not meet the guarantees.

There are three remedies:

- repair the product
- replace the product
- refund the price paid.

Sometimes you can choose the remedy. Other times the seller can choose. Who gets to choose depends on how major the issue is, and if the item can be fixed.

See which remedy you are entitled to and who gets to choose on [\(see page 16\)](#).



Tell the seller about an issue as soon as you find it. If you wait too long, you might lose the right to a refund, replacement or repair.

Minor issues that can be fixed

The seller chooses to:

- replace the product with an identical model – if you want a more expensive replacement, you must pay the difference
- refund the price you paid in full
- repair the product for free within a reasonable time.

A 'reasonable time' is how long it would take most sellers to fix or replace the product.

If seller does not resolve the issue – or takes too long to act – you can:

- get the product repaired elsewhere and ask the seller to refund repair costs
- reject the product and ask for a refund or replacement.

All refunds must be in cash, or however you originally paid.

Sellers cannot offer store credit for faulty products.

Major issues

You choose to:

- keep the product and claim compensation for loss in value caused by the fault
- reject it and get an identical replacement
- reject it and get a refund.

If you think it's a major issue, but the seller does not, get a second opinion from someone who knows about that type of product.

If returning the product is difficult or expensive, the seller must collect it from you at their expense.

For examples, ([see page 22](#)).

Sellers' rights

Sellers also have rights under the Consumer Guarantees Act.

They can refuse to give you a remedy if you:

- simply change your mind
- use a product so much it is reasonable it breaks
- damage or lose a product
- misuse or alter a product and this causes the issue, e.g. not following instructions
- know about a fault before you buy a product
- take an unreasonable time to return a faulty product
- go to someone else for repairs before contacting the original seller.

Inspection fees

When you take electronic products back, the seller may ask you to pay an inspection fee but they should notify you about these ahead of time.

If inspection shows the product has a genuine fault, the seller should cover this cost. But if the inspection shows you caused the fault, you will need to pay the fee, e.g. dropping your phone, or it's wear and tear from normal use, e.g. flat batteries in a remote control.

Manufacturer or seller

If the seller has gone out of business, or you have problems dealing with them, you might want to go to the manufacturer instead.

If you bought directly from the manufacturer, they are the seller.

Example: Inspection or check for faults

Daisy's games console seems faulty. She takes a similar model to the till, saying it's a free replacement. The manager says her console must first be checked. This is fair. If it is faulty and cannot be fixed, Daisy can get a similar model as a replacement.



If a fault causes extra losses

If a faulty product damages your home or belongings, it's called consequential loss. You can claim compensation.

There are limits to what you can claim. The loss must be something likely to happen as a result of the fault. You also must avoid extra loss if possible. For example, if your freezer breaks down and you realise in time to save food by moving it to another freezer, you cannot claim for food you didn't move.

It may be hard to agree a compensation amount if the fault causes major damage to your home. It's a good idea to get legal advice.

Sellers cannot opt out of being responsible for consequential loss, unless you buy a product for business use.

Sometimes a seller offers a temporary replacement while they repair a faulty product, to keep extra costs down.

Example: Consequential loss

Hone's washing machine is faulty and floods his house. As well as a remedy for the faulty washing machine, Hone can claim compensation for any damage due to the flooding, e.g. water-damaged flooring.



Minor issues and potential remedies

With minor issues, the seller gets to choose to repair, replace or refund the faulty product.

What went wrong	Possible remedy
<ul style="list-style-type: none">● Two buttons come off a new jacket● Spool keeps falling out of a weed trimmer● Only five cups in a boxed set of six	<ul style="list-style-type: none">● Seller repairs the jacket for free● Seller repairs the weed trimmer for free● Seller replaces it with a new set for free

Major issues and potential remedies

With major issues – or multiple minor issues – you can choose to reject the product and get a refund or replacement of the faulty product.

What went wrong	Possible remedy	Possible compensation for extra loss
<ul style="list-style-type: none">● Smartphone keeps shutting down due to fault that can't be repaired	<ul style="list-style-type: none">● Full refund of price you paid OR● Free replacement, usually same make and model	<ul style="list-style-type: none">● Refund if seller charged inspection fee
<ul style="list-style-type: none">● Fridge-freezer keeps breaking down due to manufacturing fault	<ul style="list-style-type: none">● Full refund of price you paid OR● Free replacement fridge/freezer	<ul style="list-style-type: none">● Refund of call-out fee for repairer who diagnosed the fault● Cost of any defrosted or spoiled food● Seller pays any delivery fees to return faulty fridge

Buying online



The web address *co.nz* does NOT guarantee it's a New Zealand business.

Your rights can vary, depending on if you buy from:

- business in New Zealand
- overseas business
- private seller on a site like Trade Me or eBay.

Check the terms and conditions before buying online, including returns, delivery and warranties.

On sites like Trade Me, the seller must tell you if they are a business. If they don't, this breaches the Fair Trading Act and you can cancel the sale.

NZ online store

Same Consumer Guarantees Act rights as buying from NZ sellers.

Overseas online store

Have same rights as buying from NZ sellers – but could be harder to resolve issues.

Private online seller

No rights under the Consumer Guarantees Act.



Consider paying by credit card. If the product doesn't arrive, ask your bank for a chargeback. You may be able to get your money back. There are conditions. Check your bank's website.

Second-hand shopping

With used products, your rights depend on if you bought from:

- second-hand shop or dealer who is in trade, e.g. charity shop
- private seller, e.g. friend, through social media or Trade Me.

From dealer or secondhand shop

Covered by Consumer Guarantees Act, so product must meet same guarantees.

But you can't expect it to be like a new product.

Consider:

- how much you paid
- what seller told you
- wear and tear.

If faulty, ask the seller for a remedy.

From private seller

Not covered by the Consumer Guarantees Act.

If the item is faulty, go back to the seller. If the seller doesn't help you, you can take your case to the Disputes Tribunal.

Buying on credit

Consumer guarantees apply when you buy products on credit.

Examples of buying on credit:

- credit card or finance card, including interest-free offers
- hire purchase (credit sale)
- loan.

If you have an issue with a product, ask the retailer for a repair or replacement.

Your payments

Keep up to date with your payments.

Falling behind on payments means you might be charged penalty interest – and there's a risk your lender might repossess the product.

If you can't afford the payments, talk to your finance company about reducing the amount you pay each week or month.

For details on your rights, see our website Hire purchase and buying on credit on consumerprotection.govt.nz

Telemarketing and door-to-door sales

If you buy products on credit from an uninvited seller, there are special rules on top of the Consumer Guarantees Act. For example, you have the right to cancel within five days, return the product and get a full refund from the seller.

For more information on these rules, see Telemarketing and door-to-door sales on consumerprotection.govt.nz



How to resolve your issue

When you know which CGA guarantees apply – and remedies you may be entitled to – you are ready to resolve your issue. You may not need to do both steps. Support and advice is available along the way.

Step 1: Contact the seller

Phone, email or visit the seller

Most issues can be resolved with the seller without having to do anything else. Get in touch with the business you bought the item from. If it's a nationwide retailer, you may be able to visit a different branch.

Describe your problem and what you want to happen. Be prepared to answer questions and give the seller time to look into your issue.

Tips

- It's best to talk to a manager or supervisor, if possible.
- Keep calm and stick to the facts.
- Explain what outcome you want.
- Know your rights. Check the flow chart ([see page 4](#))
- Take this booklet to show you understand what you are entitled to.
- Bring proof of purchase, e.g. receipt or bank statement. Some sellers will have a record of this on their system, but not always.
- Take a friend or family member for support.



Use the Complaint notes worksheet at the end of this booklet to record who you talk to, the date, and what was said.

Step 2: Make your complaint official

Put your complaint in writing

If contacting the seller doesn't help resolve your issue, try making your complaint official by writing a letter or email to the manager, owner or customer services team, if the business has one. Let them know about your issue and what you want done.

Tips

- Include details of your purchase, e.g. the product's make and model, when you bought it, who sold it to you.
- Give a detailed description of the issue and when it happened.
- Mention which CGA guarantee(s) apply to your issue – for help identifying these, see the flow chart at the start of the booklet.
- Stick to the facts.
- Include your contact details.
- Give a date when you want to hear back.
- Attach copies of your receipt, sales contract or other proof of purchase – don't send originals.



Find example complaint letters at consumerprotection.govt.nz

Get help and advice

Contact an advisor

At any point when trying to resolve your issue, you can get help and advice from trained experts.

They can explain your rights, show the next steps, and provide support. This might mean helping you resolve the issue directly with the seller, or taking your issue to the Disputes Tribunal or another disputes resolution organisation.

Where to find help

Citizens Advice Bureau is a free, independent service, run by volunteers. CAB can advise you on your consumer rights, in person, by phone or online at cab.org.nz.

Community Law Centre offers free, one-on-one legal advice to people with limited finances. You can find legal information and other resources online at communitylaw.org.nz

Complaint notes

Use this worksheet to record your issue. Have it with you when you contact the seller. Fill in the **notes and supporting documents** section as you follow the steps.

Purchase information

Write down details of your purchase – what the product is, price, date, where you bought it.

For example: Laptop charger, \$120, from Palmerston North, 21 August 2020.



Keep your receipt or purchase documents, especially for expensive items. If you don't have proof, give as much detail about the purchase as possible.

What's gone wrong

Write down the issue, how you found out about it, and how you used the product. State the main facts.

For example: Charger worked normally for two weeks and then stopped working. Tested it with other power points and another computer – still doesn't work. I followed instructions for use in the manual.

Guarantees under the Consumer Guarantees Act

Tick the part(s) of the Consumer Guarantees Act that apply to your issue. There may be more than one. (see page 6) to find out which applies to your product.

- | | |
|--|---|
| <input type="radio"/> Acceptable quality (see page 6) | <input type="radio"/> Manufacturer's warranty/
guarantee (see page 10) |
| <input type="radio"/> Fit for particular purpose
(see page 8) | <input type="radio"/> Reasonable price (see page 11) |
| <input type="radio"/> Match description (see page 7) | <input type="radio"/> Right to sell products
(see page 12) |
| <input type="radio"/> Arrive on time and in good
condition (see page 9) | <input type="radio"/> Spare parts and repairs available
(see page 11) |

Requested outcome

Explain what you want the seller to do. Check which remedy you can ask for (see page 16).

For example: I would like a remedy – either a refund, replacement or repair – for my charger.

Notes and supporting documents

Keep a record of what you do. Take notes if you spoke in person or by phone. Save emails. Take screenshots of texts or online messages. These will help if you need to follow up again, or take the issue further.

Date and time	Who	What they said, actions from here
10am, 12 September 2020	Store Manager	said they need to look at the charger. Will call me back by 15 Sept.

Notes



Consumer Protection

Ministry of Business, Innovation and Employment

0508 426 678 (0508 4 CONSUMER)

cpinfo@mbie.govt.nz

www.consumerprotection.govt.nz

PO Box 1473, Wellington 6140

Disclaimer: This document is a guide only. It should not be used as a substitute for legislation or legal advice. The Ministry of Business, Innovation and Employment is not responsible for the results of any actions taken on the basis of information in this document, or for any errors or omissions.

ISBN (print): 978-1-99-001905-0

ISBN (electronic): 978-1-99-001904-3

October 2020