

REFUNDS

NSW and most other states are very clear about the rights of consumers to obtain refunds for defective or shoddy products, however it seems that many business operators still do not understand their legal obligations to consumers.

YOUR RIGHT TO A REFUND

You have certain rights when buying goods and services, but you are obviously restricted by the motive behind your demand for a refund. If you simply change your mind and want to return the goods, the seller does not have to give you a refund. Businesses that willingly refund customers who return faulty goods build up goodwill and a loyal client base. However, as a consumer it can be difficult to know exactly what your refund rights are and how to exercise them.

WHEN DO YOU HAVE A RIGHT TO A REFUND?

Simply, a refund would be in order if the goods:

- **Have a fault that you could not have known about when you purchased them**
- **Do not do the job that you were led to believe they would do**
- **Do not match a sample you were shown**
- **Are not as they were described**

Remember: you cannot ask for a cash refund if you did not pay cash. You might only be entitled to a part refund if the goods have been used or the goods were bought on terms.

"NO REFUND" SIGNS ARE ILLEGAL

"No refunds" signs are illegal and business owners who display any sort of sign that infers that purchasers do not have the right to a refund can be prosecuted by law. If you buy a faulty product and you were not aware of the fault at the time of the sale, you can usually return it to the store and legally expect either:

- **A repair**
- **A replacement or**
- **A refund**

If you see a "No Refund" sign in a store, you should politely point out to the manager that displaying this is highly illegal and that it should be removed. If the store manager becomes rude or abusive, then state that you will be reporting the store to the NSW Department of Fair Trading and they will take action by imposing substantial fines.

CHANGING YOUR MIND

If you simply change your mind and want to return the goods, the seller does not have to accept the goods back and give a refund. If the seller is prepared to exchange or give you a credit note, it is an expression of goodwill.

You have certain obligations as a customer. If you buy faulty merchandise and want a refund, you should:

- **Report the fault and return the goods as soon as possible**
- **Give details of the fault and what remedy you would like**
- **Provide proof of purchase**
- **Be sure you did not cause the fault**
- **Stop using the faulty goods until they can be returned**
- **Look after the goods until they are returned**

RIGHTS OF A TRADER

A trader does not have to provide a refund if:

- **No proof of purchase is offered**
- **Customers simply change their mind**
- **The goods have been damaged after purchase**
- **Customers knew, or should have known about any faults when they bought the goods, for example as seconds. However, if a second has a fault that the customer was not aware of, or could not have discovered upon a reasonable inspection when the item was bought, they would be entitled to a refund, repair or exchange.**

STATUTORY WARRANTY

In most Australian states, all new goods are covered by a statutory warranty under the Trade Practices Act. Regardless of any manufacturer warranty that may offer longer or shorter protection, the statutory warranty is always in force. Buyers do not even have to register the purchase of new items with the manufacturers as some warranty cards demand, but new goods are always covered by the statutory warranty. Most warranty cards will acknowledge this with wording such as:

- **This warranty is in addition to (and does not exclude or modify in any way) any non-excludable statutory rights you may have (including under the Trade Practices Act)**

NEW MOTOR VEHICLES

Unfortunately, sellers of certain products seem to think that they are somehow exempt from complying with statutory warranties. For instance, many new car dealers are under the impression that if they sell a lemon and keep repairing it, then they somehow are indemnified against any demands for a refund or a replacement of the vehicle. This is completely untrue. The problem is that most car buyers really don't know their consumer rights and will swallow the rubbish that new car dealers spin them about not being able to get a refund for the defective bombs that are sold to them.

Regardless of any extended manufacturer warranties, motor vehicles are covered by the same minimum statutory warranties that apply to all new goods. If you buy a car and it has a recurring fault that cannot be fixed after a reasonable number of attempts, then you are legally entitled to demand a refund or a replacement of the defective vehicle - and it is your choice, not the dealer's. Don't settle for any less and always set a target for a successful repair and stick to it religiously.

For instance, if the same fault cannot be rectified after two attempts, then you should demand a refund or even a new car, but don't keep giving the car dealer more chances - stand your ground. If you allow the car dealer to continue to make unsuccessful attempts to repair a lemon, this will only cost you money and inconvenience until the warranty runs out and then you will be stuck with the defective vehicle.

KNOW YOUR CONSUMER RIGHTS

Don't be fooled or intimidated by traders who refuse to give refunds or arrange for repairs or replacements when required to do so. One common ploy that many traders use is that they will refuse to accept defective goods for repair or replacement, but demand that the purchasers deal directly with the manufacturers. The consumer law specifically states that a trader is completely responsible for arranging such matters and the only place a consumer has to return defective goods is to the point of sale and nowhere else.

THE TRADER DOES NOT MAKE THE RULES

If a trader refuses to comply with his legal obligations to refund you the purchase price, repair or replace the defective goods or tries to send you elsewhere to have the goods fixed, then you have legal resources at your disposal to resolve the problem. Inform the trader that you don't have to go anywhere else to get the goods repaired or replaced and if a refund is appropriate, you are the party who decides whether to demand a refund or replacement, not the retailer. You have the law on your side and you should invoke it where necessary.

DO NOT HESITATE - ACT IMMEDIATELY

If you have purchased defective goods, the one thing that is most important to do is to act immediately to get the problem fixed to your satisfaction. If you take the defective goods back to the store and really want a refund, don't let the store talk you into accepting replacement goods instead of the refund you seek. However, if you decide to accept a replacement item for the defective goods, inform the store that if the replacement item is also defective, you will not accept another one, but will demand a full refund and nothing less. Do not ever let the trader fob you off with any excuses.

LODGING COMPLAINTS

To make enquiries or to lodge complaints contact the appropriate authority that administers and enforces the consumer laws in that state.

NEW SOUTH WALES
NSW Department of Fair Trading
1 Fitzwilliam Street
Parramatta NSW 2150
Phone: 133-220
www.fairtrading.nsw.gov.au

VICTORIA
Consumer Affairs Victoria
121 Exhibition Street
Melbourne VIC 3000
Phone: 1300-558-181
www.consumer.vic.gov.au

QUEENSLAND
Office of Fair Trading
363 George Street
Brisbane QLD 4001
Phone: 131-304
www.consumer.qld.gov.au

SOUTH AUSTRALIA
Office of Consumer and Business Affairs
Level 4, 91-97 Grenfell Street
Adelaide SA 5000
Phone: 08-8204-9777
www.ocba.sa.gov.au

WESTERN AUSTRALIA
Department of Consumer and Employment Protection
219 St Georges Terrace
Perth WA 6000
Phone: 1300-304-054
www.docep.wa.gov.au

TASMANIA
Consumer Affairs and Fair Trading
GPO Box 1244
Hobart TAS 7001
Phone: 1300-654-499
www.consumer.tas.gov.au

AUSTRALIAN CAPITAL TERRITORY
Office of Regulatory Services
255 Canberra Avenue
Fyshwick ACT 2609
Phone: 02-6207-3000
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NORTHERN TERRITORY
Consumer Affairs
GPO Box 1722
Darwin NT 0801
Phone: 1800-019-319
www.nt.gov.au/justice/consaffairs