



Do your own calculations and include the extra fees and charges to ensure you pay off the goods on time. Read and make sure you fully understand the terms and conditions before you sign up.

## Leasing or renting goods

Many stores allow you to lease or rent electrical appliances, computers and household goods as part of an in-store or door-to-door finance deal. It is often sold as a cheaper option but it may be a lot more expensive than other payment alternatives. You should not assume you will own the product at the end of the contract. Many renting deals require large additional payments to be made before you own the goods. Make sure you read and fully understand the terms and conditions of the leasing or renting agreement before you sign it. Take it away to read if you need more time to understand the terms and conditions. If you have signed a goods rental agreement and have concerns about it, contact Fair Trading.

## Buying online

When you purchase goods on the internet and the goods are from overseas, NSW laws may only offer you limited protection. When shopping online always be wary of offers that appear too good to be true, never give your personal bank details or password, check the details of the site

or person you are dealing with, compare prices, check postage and handling costs, refund, warranty and return policies, check with the Australian customs whether you can import the item and make sure the site is secure before paying.

Check ScamWatch [www.scamwatch.gov.au](http://www.scamwatch.gov.au) and the National Fraud Information Centre (USA) [www.fraud.org](http://www.fraud.org) for the latest scams to avoid.

## Buying from door-to-door sales people or telemarketers

Under NSW law:

- sellers must not visit you between 8pm and 9am, 7 days a week
- you have a 'cooling-off' period of 5 days during which you can choose to cancel a sale over \$100
- you can ask sellers to leave at any time and they must do so as soon as practicable
- you must get written information about your cancellation rights before the contract is made; telemarketers must give you the information over the phone and follow up in writing.

The Commonwealth Government has set up a *Do Not Call Register* so consumers can elect not to receive unsolicited telemarketing calls. For more information go to [www.donotcall.gov.au](http://www.donotcall.gov.au) or call 1300 792 958.



## Deposits

When you place a deposit on an item, you may not realise it but you are entering into a binding agreement to proceed with the transaction. If you change your mind, the trader may keep all or part of your deposit, depending on the circumstances. Many traders will return your deposit as a gesture of goodwill. It is always a good idea to think the deal through before handing over a deposit as you may lose your money.

## If things go wrong

If you have an issue with a trader you should speak or write to them and explain how you want the situation resolved. If you are still unsuccessful call Fair Trading on 13 32 20 or visit your local Fair Trading Centre to find out your options or lodge a complaint online at [www.fairtrading.nsw.gov.au](http://www.fairtrading.nsw.gov.au)

### Office of Fair Trading – What we do

- Shopping and credit
- Business names and licences
- Renting, buying, selling a home
- Co-operatives and associations
- Home building and renovating
- Trade measurement
- Strata and community living
- Product safety
- Retirement villages
- Resolving disputes

[www.fairtrading.nsw.gov.au](http://www.fairtrading.nsw.gov.au) General enquiries 13 32 20

Language assistance 13 14 50 (ask for an interpreter in your language)

TTY 1300 723 404 for hearing impaired

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For more information about this topic, refer to the appropriate legislation.



# Shopping, refunds and warranties





## Shopper's rights

Did you know you have basic consumer rights when shopping?

All goods you buy must:

- comply with any product information and safety standards applying to them, such as care labels on garments and textiles and safety instructions on dangerous goods
- have accurate information provided with them and include any information required by law, such as price, content details and weight of goods without packaging.

It is illegal for traders to mislead you about products or use high-pressure selling tactics.

Always keep the invoices, dockets or receipts given to you by the trader as you may need them if you want to return, repair or exchange the goods.

## Warranties

**Statutory warranty** (also known as implied warranty) is the basic warranty you get for free when you buy any item. Statutory warranty requires the goods you buy, including those that are second-hand to:

- be and remain free of debt, charges or mortgages – have 'clear title', unless this debt is disclosed or known to you before you agree to buy the goods

- be of 'merchantable quality' – meet the basic level of quality and performance expected, considering their description, price and other relevant circumstances. Goods that have a fault should be labelled as seconds or damaged stock
- match any description or sample
- suit a particular purpose if you have made a specific purpose known to the seller and have relied on the seller's skill or judgement.

Any problems under statutory warranty are the seller's responsibility, so you should insist on dealing with them even if they tell you to deal with the manufacturer. If you have a problem refunding or exchanging an item and you have tried but failed to negotiate with the seller, contact Fair Trading for help and advice.

Goods bought at auction are not covered by statutory warranty. However, the seller is obliged to provide 'clear title' unless any debt, charge or mortgage is communicated or known to you before you agree to buy the goods.

**Voluntary warranty** (also known as express or manufacturer warranty) is sometimes given by retailers and manufacturers in addition to the basic statutory warranty. This warranty is usually in writing and may only be available in certain circumstances, for a limited time. A voluntary warranty cannot replace or restrict your basic statutory warranty. If a seller tells you about a voluntary warranty, they must follow through with it.

**Extended warranty** is an additional warranty that some retailers try and sell you which may or may not extend the voluntary warranty. Before purchasing an extended warranty, you should carefully check what parts or labour the warranty covers and whether the product needs regular maintenance or servicing for it to apply.

Some extended warranties may only replace the product or refund customers based on annual depreciation of the product. This means the product you get as a replacement may be inferior to the one you originally bought or you may be refunded less money than you originally paid. Check if an annual depreciation applies to the extended warranty before you buy it.

Some extended warranties start from the date you buy the item and not when the voluntary warranty ends. You should read the terms and conditions of the extended warranty carefully and assess whether it is worth the extra money before you buy it.

## Refund, repair or exchange

You are entitled to ask the trader for a refund if the item you bought is:

- not of 'merchantable quality'
- not the same as the item described in advertising or by the salesperson
- not fit for the purpose you made known to the trader and you've relied on the trader's judgement.

You may prefer to negotiate a repair or exchange the item rather than take a refund. However, the trader does not have to provide a refund if you:

- were responsible for damaging the item by not following the instructions or misusing the product
- have changed your mind
- knew, or should have known, about a fault when you purchased the item
- are unable to prove where and when the item was purchased.



## 'No refunds' signs

A sign in a store that says 'No refunds' is illegal as it misrepresents your rights if the product is, for example, faulty. Other examples of illegal signs are 'No refunds after 7 days' or 'We will exchange or repair or give credit notes but we do not refund'. However, a sign which states: 'No refund for incorrect choice' or 'No refund if you change your mind', is legal.

## Lay-bys

When you set up a lay-by, you must get a written statement from the trader which sets out the terms and includes the purchase price, deposit paid and outstanding balance, dates when instalments are due, cancellation fee (if there is one) and length of time the goods will be held. You may cancel a lay-by at any time before the goods are delivered without giving a reason. If the trader won't accept the cancellation in person or by telephone, you should write to them.

## Interest free deals

These deals allow you to buy major purchases on interest free credit for a specific period of time. Interest free deals are popular as you can take the goods home on the spot, after you sign up for the credit. However, these deals are not free. The contract you sign will usually require you to pay fees and charges (such as an establishment fee and monthly account keeping fees) and a very high interest rate (up to 30%) after the interest free period ends. Interest free deals only work if you pay off the loan before the interest free period ends.

You may also receive a credit card as part of the deal. Be warned that anything else bought on the card will not be part of your original interest free deal and may attract a very high interest rate. If your deal requires you to make regular repayments, be aware that the minimum repayment amount suggested may not be enough to pay off the goods before the interest free period ends.