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Legal Bulletin

CHANGES TO WARRANTY AND PACKAGING REQUIREMENTS: ARE YOUR CLIENTS READY?

From 1 January 2012 manufacturers and suppliers of goods will need to meet new specific requirements if they provide warranties to consumers.

There are significant penalties for companies and individuals that do not comply with this new regime.

Companies that do not comply with the new regime may face penalties of up to \$50,000.

Individuals could face penalties of up to \$10,000.

In the case of misleading representations penalties can be up to \$1.1 million for corporations and \$220,000 for individuals.

On 1 January 2011 the Australian Consumer Law legislation commenced operation. This new law replaced the then existing state and territory and federal laws regarding implied conditions and warranties. There is now a single National system of statutory "consumer guarantees". These consumer guarantees are in addition to any warranties that manufacturers and suppliers currently provided to their consumers.

One of the most significant impacts of this new law will be that manufacturers and suppliers will need to explain the distinction between "consumer guarantees" and any warranties contained in their documentation.

Companies or individuals that provide consumers with warranties should immediately conduct an audit of all terms and conditions contained in documentation or packaging provided to consumers. Once this has been done legal advice should be obtained as to whether existing documentation complies with the new regime.

ABOUT LORD COMMERCIAL LAWYERS

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