



# Just bought a new car?

## Know your consumer rights

Congratulations on your new car! For any consumer, this is a major—and exciting—purchase. Take a moment to read this information so you understand what your rights are in case you have a problem later.

Under Australian law, when you buy products and services they come with automatic guarantees that they will work and do what you asked for, under what is referred to as Australia's consumer guarantee rights. If something goes wrong with your new car, you may be entitled to a remedy under the consumer guarantees as well as the manufacturer's warranty or any extended warranty you might have.

- **Consumer guarantees:** Your automatic rights under the Australian Consumer Law that cannot be restricted or excluded.
- **Manufacturer and extended warranties:** Voluntary promises offered by the manufacturer, dealer or a third party that apply for a specified time and may add to your automatic rights under the Australian Consumer Law.

Manufacturers and dealers must honour your consumer guarantee rights regardless of any commercial warranties they give to you or sell you. For example, your consumer guarantee rights may protect you if your car experiences a major failure after a warranty has expired.



### Consumer guarantees

- Your statutory rights that cannot be replaced, limited or removed by any agreement, contract or warranty, or made subject to non-disclosure conditions.
- They apply to new cars for an unspecified but reasonable time, and are subject to certain exceptions (e.g. if the reason for the damage is abnormal consumer use).
- These rights include that your new car must:
  - be of acceptable quality (including that it is safe, durable and free from defects)
  - be fit for any purpose disclosed before the sale
  - match the description provided or demo model
  - have spare parts and repair facilities available.
- These rights apply regardless of whether or not an independent operator services or repairs your car.



### Manufacturer's warranty

- This is a car manufacturer's promise about your new car and what they will do if something goes wrong.
- It applies for a specified time from when you buy a new car.
- It comes with conditions that limit the coverage and what you can claim for.
- It typically allows you to choose your preferred repairer for service and repair, as long as the manufacturer's maintenance and servicing standards are met.
- However some manufacturer warranties may require you to return to their dealer network for repairs claimed under warranties.



### Extended warranty

- You may be able to purchase an optional add-on extended warranty that is usually sold separately to the car.
- It applies for a specified time once the manufacturer's warranty expires.
- You may be able to purchase a manufacturer's extended warranty, which usually replicates and extends your existing warranty, or you may be able to purchase a dealer or third-party extended warranty.
- You should make sure that the extended warranty provides value for money and benefits greater than what you automatically receive under the consumer guarantees. For example, some extended warranties contain restrictive terms and conditions, such as excluding certain parts, setting caps on claims or requiring you to use a nominated repairer.

## If your new car fails to meet the consumer guarantees

If your car fails to meet a consumer guarantee, you have rights against whoever supplied you the car (e.g. the car dealer), and in some cases against the manufacturer. In particular, you are entitled to a repair, replacement or refund if your new car fails to meet the consumer guarantees. The remedy you're entitled to, and who chooses the remedy, will depend on whether the failure is **major** or **minor**.



### Major failures

This type of failure happens when:

- your car cannot be fixed or it is too difficult to fix your car within a reasonable time (e.g. your car develops excessive jerking due to a manufacturing defect that cannot be repaired, or is too difficult to repair within a reasonable time)
- if, as a reasonable consumer who was fully aware of the nature and extent of the failure, you would not have bought the car (e.g. your car suddenly and unexpectedly loses power due to a manufacturing defect)
- the failure prevents you from using your car and it cannot be fixed in a reasonable time (e.g. your car is not drivable due to a manufacturing defect and is incapable of being repaired in a reasonable time)
- the failure creates an unsafe situation (e.g. your car has a fault that affects your ability to brake or steer the car easily).

### Type of remedy

You can 'reject the car' (which typically requires you to return it) and choose between a repair, replacement or refund. You should clearly advise the supplier that sold you the car (e.g. the car dealer) if you intend to reject it, and explain why – e.g. the car is not drivable, or the car was not repaired within a reasonable time, etc.

You may also be able to recover 'reasonably foreseeable' damages for any loss or damage you suffered from the supplier that sold you the car (e.g. the car dealer), or in some cases from the manufacturer.



### Minor failures

This type of failure happens when:

- your new car can be fixed, or the problem can be resolved, within a reasonable time (e.g. your car's engine develops a slight rattling noise that doesn't interfere with its ordinary operation, and can be successfully repaired within a reasonable time).

### Type of remedy

The supplier that sold you the car (e.g. the car dealer) can choose to repair or replace your new car, or to offer you a refund.

Any repairs must be done within a reasonable time and without charge.

However, you may choose the remedy if the repair is not done in a reasonable time.

In this case, you may request a free replacement or a refund. You may also seek a repair elsewhere and be able to recover the costs, as well as any 'reasonably foreseeable' loss or damage you suffered as a result of the failure, from the supplier that sold you the car (e.g. the car dealer), or in some cases from the manufacturer.

## More information

For more information on your consumer rights visit: [www.accc.gov.au/consumerguarantees](http://www.accc.gov.au/consumerguarantees)