



## Resolving problems with faulty goods and services

### Purpose

The purpose of this section is to give students the knowledge and skills to make a face-to-face complaint with a shop assistant or shop manager about faulty goods. It has students practise the skills in a role-play situation.

One activity has students identify where to go to access consumer information.

### Learning intention for students

#### *We will:*

- explain and demonstrate how to access consumer information and make a complaint to a trader about faulty goods.

### How will we know we have done these things?

#### *We will be able to:*

- accurately describe a given consumer problem with faulty goods and what we want done to resolve the problem
- explain our legal rights under the Consumer Guarantees Act
- role-play making a complaint about faulty goods where we reach an acceptable solution to the problem with the seller.

### Background information

The main ideas explored in Section 5 are:

- Under the Consumer Guarantees Act consumers may have rights of redress (right to have the problem 'put right') when there are problems with faulty goods and services.
- Before a business takes responsibility for the problem the consumer must prove that they purchased the goods or services from the retailer/service provider and that there is a problem with the goods.
- Under the Consumer Guarantees Act there are a specific set of remedies consumers can be offered to resolve problems with faulty goods and services provided by a trader.
  - If the fault is minor, or can be repaired, the retailer can choose between repairing the goods, replacing the goods or giving you a refund.
  - If the retailer refuses to fix the problem, or takes more than a reasonable time to do so, the consumer can:
    - ask for their money back
    - ask for replacement goods if the same type of goods are reasonably available to the retailer
    - take the goods elsewhere to be fixed and ask the retailer to pay for the cost of repair
    - take their complaint to the Disputes Tribunal.



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- If the problem is a serious one (the goods are unsafe, they substantially do not meet acceptable quality, fitness for particular purpose, description or sample), or cannot be repaired, the consumer (not the retailer) can choose to:
  - return or reject the goods and ask for their money back, or a replacement of similar value and type (if the goods are available), or
  - keep the goods and have the price reduced to make up for its drop in value.
- If the goods cause additional damage when they become faulty (eg, the fault in the CD player causes damage to a new CD) the consumer can ask the retailer to pay for the damage. This is called ‘consequential loss’.
- Consumers may use formal and informal methods to seek redress.