

Guarantees

You may be offered a guarantee when you buy certain goods (for example electrical goods) or when you pay for services such as building work. The guarantee may give you the right to have the goods replaced or repaired, or any faulty work put right. A guarantee **cannot** take away your existing legal rights or any additional rights included in your contract but it may give you **extra protection**.

Free guarantees

A free guarantee for goods, including goods supplied with a service, is **legally binding** on the person offering the guarantee if the goods were bought on or after 31 March 2003. Guarantees for goods are usually provided by the manufacturer and give you extra rights in addition to the rights you already have against the seller.

From 31 March 2003, if a free guarantee is supplied with goods sold in the UK, it must be written in plain English and easy to understand. It must state how long the guarantee will last, and the name and address of the guarantor. You are entitled to see a written copy of the guarantee if you ask for one, and it must be provided within a reasonable time. If these requirements are not met, you can complain to Consumer Direct on 0845 404 0506.

A free guarantee for services, or for goods bought before 31 March 2003, will only be **binding** if you can show it was part of your **contract** with the **supplier** of the goods or services, or with the manufacturer. To be part of your contract, the terms of the guarantee must have been clearly set out when you bought the goods or services. Some firms supplying services offer **long term** guarantees of ten years or more. These will be of limited value unless they are backed by an insurance company as they will depend on the firm still being in business several years later.

Extended guarantees and warranties

If you pay for a guarantee, you will usually be given an **extended guarantee** or **warranty** that will take effect at the end of any manufacturer's guarantee. The extended guarantee will always be legally binding. It will usually be run by a separate firm, different from the trader from whom you bought the goods. If you make a claim on an extended guarantee, you may lose other legal **rights** you have against the trader. If you have only recently bought the goods, it might be better to make your claim against the trader from whom you bought the goods.

Before agreeing to buy an extended guarantee, you will need to look at:

- what is **covered** by the guarantee. Some extended guarantees will only cover mechanical break down and not wear and tear. Some will require you to pay labour charges. Check what **is** covered before you decide to buy it; *and*
- whether the extended guarantee is **underwritten** by an insurance company. If the supplier goes out of business, you should still be able to claim from the underwriters for any work that needs doing under the guarantee; *and*
- when the extended warranty starts. You may find that your **existing rights** are **sufficient** anyway. If you have problems shortly after purchase, you should complain to the trader rather than the guarantee company (otherwise you may lose your rights against the trader)
- If the goods or service are likely to have a considerable amount of use, it may be worth considering an extended guarantee if this will cover you for wear and tear or accidental damage; *and*
- whether you are already **covered** by your **home contents** insurance; *and*
- whether it would be cheaper to take out a **separate insurance policy** to cover several items.

Be sure to read the term and conditions before buying an extended guarantee and ask the seller to explain anything you are unsure about.

Extended warranties for electrical goods

You have additional rights when you buy an extended warranty (sometimes called a service agreement) to cover domestic electrical goods. Traders must:

- display the price of the warranty alongside the goods
- give you a written quotation, on request, for the price of a warranty. They are legally obliged to honour this price if you go back within 30 days to buy the warranty after you have bought the goods
- inform you of your rights to buy a warranty elsewhere and that the electrical item you bought may already be covered by your own household contents insurance.

You also have the right to cancel the warranty within 45 days and get a full refund if you have not made a claim. If you make a claim on the warranty, you can still cancel and get a pro-rata refund at any time up until the end of the service agreement.

Is it worth claiming

Although you may **have existing rights**, you may want to claim under the guarantee if:

- the trader is unlikely to give you what you want and it will be **easier** to get a **repair** or **replacement** under the guarantee
- it is **inconvenient** to **return** the goods to a shop and easier to return them by post to a manufacturer or distributor
- the supplier has **gone out of business**
- the goods were **bought abroad** and the manufacturer has a branch in the United Kingdom
- you are offered a **better deal** under the guarantee
- the goods were received as a **present** or a **prize** and the manufacturer or seller will not help you.

Making a claim

If you wish to make a claim under a guarantee or warranty, you will first need to check that:

- it **covers** your problem. You will need to be able to prove this
- it is **valid** and you are within the time limit.

You may have to pay for any repair work yourself and then claim the money back from the company who issued the guarantee. You should check the procedure in the guarantee before doing anything.

Remember you may still have rights against the supplier (see above).

If you decide to use the guarantee, you will need to:

- **make contact** as soon as you discover the fault. Write to the company that issued the guarantee and enclose a **copy** of it. You will need to give details of where and when you bought the goods or services, describe the problem and when it first appeared and the action that you want taken under the guarantee (this will usually be a **replacement** or a **repair**). Don't demand something that isn't covered by your guarantee
- if the company which issued the guarantee has gone out of business, write to the insurance company that underwrote the guarantee
- **write to the supplier** of the goods or **services**, explaining that they are not satisfactory and that you are making a claim under the guarantee. You should make it clear that the supplier is still responsible for the faulty goods or services and that, if the problem is not resolved after using the guarantee, you will make a claim for repair, replacement or compensation against her/him
- **write to the credit company**, if you bought the goods or services on credit as it may have **equal liability**).

Other fact sheets that might be helpful

- Supplier goes out of business
- Goods
- Credit
- Services

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