



Moving and transporting goods

Transporting goods by carrier: the basics



The Carriage of Goods Act 1979 covers your rights when your goods are transported by carrier. For example, when you use a furniture removals company, send articles by courier, or are travelling with luggage.

Under this Act a carrier is a person who, in the ordinary course of their business, carries goods owned by another person. Examples of a carrier are:

- a freight forwarder or forwarding agent
- a bus company that carries both passengers and baggage
- for most purposes, a person such as a stevedore or warehouse person who handles goods in transit eg, when offloading from a ship.

The Act applies to all goods carried by road, rail, sea or air within New Zealand.

Note that the Act does **not** apply to New Zealand Post which has its own rules for postal articles (ie letters). The Act can apply to packages sent by Courier Post.

The Consumer Guarantees Act applies to the quality of the service. It requires that services are carried out with reasonable care and skill and are fit for purpose. In the case of lost or damaged goods you may be able to get redress.

Your rights with carriers

Any problems with the transport of goods are generally about loss or damage to the goods and who is liable for their loss or damage.

If no special arrangement has been made about the carrier's liability, the carrier is liable for damage or loss up to a limit of \$1,500 for each unit of goods. If the goods are worth more than \$1,500 a unit you should consider insuring the excess.

(A unit of goods is each separate item given to the carrier e.g. six packages = six units of goods. Even if the carrier puts them all in one container they are still six units. But - if you put six packages in one container, then give the container to the carrier that is one unit of goods.)

Special arrangements for carrier's liability

You can make special arrangements with the carrier about their liability. Three types of special arrangements are allowed by law.

1. A contract 'at declared value risk'. The carrier is liable up to the amount stated in the contract, which must be in writing. The carrier's freight charge must match the risk undertaken by the carrier.
2. A contract 'at owner's risk'. The carrier is not liable for the loss of or damage to the goods. Both you and the carrier must agree on the kind of contract to be made, so the carrier cannot insist on carrying your goods 'at owner's risk'. An at owner's risk contract must either be agreed, by either
 - a written contract signed by you and the carrier and containing the words 'at owner's risk'; or
 - a statement signed by you agreeing the goods will be carried at your risk and the carrier will not be liable if the goods are lost or damaged.

The freight charge on an 'at owner's risk' contract must be lower than when the carrier has liability.

1. A contract 'on declared terms'. You and the carrier negotiate any terms that you both agree on. Unless you are in business or the goods are out of the ordinary you are unlikely to be concerned with this type of arrangement.

You cannot get back more than the actual value of the goods or the loss in value as a result of damage.

Payment for service

A carrier can require you to pay for their service in advance. They may keep your goods until you pay and if you don't do so within two months they may sell the goods at public auction to recover freight and reasonable charges. They must refund you any money left over.

Got a problem with goods that are lost or damaged in transit?

Damaged or missing goods

If goods arrive damaged, immediately notify the carrier you contracted with, in writing. If applicable, also notify in writing the carrier whose depot you collected the goods from, or who delivered them to you.

If the goods don't arrive, get in touch with the carrier as soon as you become concerned about their non-arrival.

Liability

The carrier is not liable if they were not at fault and the loss or damage directly resulted from one of the following:

- an inherent defect in the goods
- the goods were not properly prepared and packed
- a legal requirement was not met eg, about the packing of dangerous goods
- the goods were taken from the carrier by legal process eg, by a bailiff
- the carrier was saving, or trying to save, life or property.

Always prepare and pack your goods carefully and meet any legal requirements that apply to the goods.

Intentional damage

If the carrier or their employee intentionally damages or loses your goods, the person at fault is liable for loss or damage to the full value of goods. You need to prove this and would require legal advice.

More than one carrier

The carrier you made the contract with is liable, whether or not they had the goods when they were lost or damaged. This carrier makes their own liability arrangements with any other carriers involved.

If the original carrier has disappeared or has gone bankrupt you may be able to recover from the carrier who had the goods when they were lost or damaged. In such a case you should get legal advice.

Goods that deteriorate

If the goods deteriorate whilst they are being carried the carrier may sell them, or if this is not practical, destroy them. If the goods become dangerous, the carrier may destroy them.

You are still liable for the freight costs. However, the carrier is liable for any loss or damage which occurred before the goods deteriorated or became dangerous.

Lost or damaged luggage

Hand luggage which you keep with you on the trip. The carrier must compensate you if it is lost or damaged through their carelessness.

Checked luggage which you hand over to the carrier for carriage. Here, the rules for any other goods in transit apply.

Redress under the Consumer Guarantees Act

The Carriage of Goods Act 1979 enables carriers, including vehicle recovery services to limit, in their contract, their liability for loss or damage of the goods while they are being towed. This means that their liability for the damage they caused to your car depends on the terms and conditions of their contract with you.

However, the Consumer Guarantees Act 1993 (CGA) still applies to the service carriage companies provide. This means the carrier must use reasonable care and skill and ensure its services are fit for their particular purpose etc. In the case of a major faults you may have the right to cancel the contract and obtain a refund of the carriage costs.

[Find out more about your rights with services.](#) Note: consequential loss (such as the cost of damaged goods) is superceded by the Carriage of Goods Act and the terms of your contract.

Making a claim

Under the Carriage of Goods Act you have 30 days to make a claim for loss or damage to goods. However, the carrier's contract may specify a different period of time – perhaps just a few days. The carrier is allowed to do this, so it pays to check when you sign the contract.

If you don't resolve the problem with the carrier you may be able to take a claim to the Disputes Tribunal.

[See here for more information on the Disputes Tribunal.](#)