

## Does the Consumer Guarantees Act apply?

Are the goods something that would usually be bought for personal or household use?

Yes

No

Did you buy the goods:

- to sell or supply in trade
- to use in a production process
- to use as a tool in trade?

No

Yes

Did you buy the goods to use in a business?

No

Yes

Did the trader contract out of the Consumer Guarantees Act in writing when you bought the goods?

No

Yes

The Consumer Guarantees Act will not apply. You may still be covered by the Sale of Goods Act and the Fair Trading Act.

The trader can't contract out of the Consumer Guarantees Act.

The Consumer Guarantees Act will apply.

## For more information

For more information about your consumer rights visit [www.consumeraffairs.govt.nz](http://www.consumeraffairs.govt.nz) or your local Citizens Advice Bureau.

Contact details of your local Citizen's Advice Bureau are in the White Pages or online at [www.cab.org.nz](http://www.cab.org.nz). You can call 0800 FOR CAB (0800 367 222).

You can get free legal advice from a community law centre. Contact details of your local community law centre are in the White Pages or online at [www.communitylaw.org.nz](http://www.communitylaw.org.nz).

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*This factsheet should not be used as a substitute for specialist legal advice.*

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MINISTRY OF CONSUMER AFFAIRS  
MANATŪ KAIHOKOHOKO

# GOODS FOR COMMERCIAL USE

CONSUMER FACTS



MINISTRY OF CONSUMER AFFAIRS  
MANATŪ KAIHOKOHOKO

New Zealand Government

## What are your rights when:

- › *buying goods for commercial use?*
- › *buying goods that are usually used for commercial use?*

### Goods usually used commercially

The Consumer Guarantees Act doesn't apply to goods usually used for commercial use. So items such as an industrial-sized coffee machine, a truck, or a cash register are probably not covered.

Even if you are just using these for your personal or household use they still aren't covered because they are usually used for a business.

### Household goods used commercially

Traders can contract out of the Consumer Guarantees Act if you are using goods for a business purpose. So if you have bought plates for your catering business, or a small car for visiting clients, you will need to check if you are covered or if the trader has contracted out of the Act in writing.

### Your rights under the Sale of Goods Act

This law applies when goods are not covered by the Consumer Guarantees Act. Under the Sale of Goods Act you may be able to get a full refund or compensation if the trader didn't have the right to

sell the goods, or the goods are:

- › not of 'merchantable quality' (so faulty most people wouldn't want them)
- › not fit for their normal purpose
- › poorer quality than a sample you were shown
- › not suitable for what you told the trader you wanted the goods for
- › don't match their description.

The trader can contract out of the Sale of Goods Act. Check to see if you are covered.

### When can I get a refund?

You will probably have to negotiate with the trader.

Consider:

- › how long you would expect the goods to last
- › the price you paid
- › whether the fault means the goods no longer work
- › whether the fault affects the appearance and how much that matters.

If you are entitled to a refund it should be in cash, you don't have to accept a credit note. You can also choose to accept a free repair or replacement.

### Compensation

Compensation is money to make up for the loss of value because of the fault. If the trader offers a free repair or replacement you can choose to accept it.

You can get compensation when:

- › the fault is minor and the goods still work

- › you have had more than enough time to find the fault
- › you are entitled to a refund but you want to keep the goods
- › the fault costs you extra money because it caused more damage, for example, you had to turn down a job because your tools weren't working.

### How do I know if the trader has contracted out?

Check if the trader has contracted out of the Consumer Guarantees Act or the Sale of Goods Act by looking at:

- › any warranties or guarantees given with the goods
- › your contract
- › receipts or invoices.

Look for a statement such as "No other warranties either express or implied by law are made with respect to these goods" which will exclude the Sale of Goods Act. The trader must specifically exclude the Consumer Guarantees Act to contract out of it for example "if the goods are being purchased for a business purpose then the purchaser acknowledges that the Consumer Guarantees Act will not apply". If it says this then your rights will be limited to what is in the warranty or contract.

### What other rights do I have?

If there has been a misrepresentation you may have rights under the Fair Trading Act or the Contractual Remedies Act. See our factsheets "The Fair Trading Act" and "When can I cancel a contract?"