



International Organization for Standardization  
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Международная организация по стандартизации

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Your ref. NWIP – Consumer warranties and guarantees

Date 2015-10-14

## TO THE ISO MEMBER BODIES

### NWIP – Consumer warranties and guarantees proposed by COPOLCO

Dear Sir or Madam,

Please find attached a proposal for a new Project Committee on *Consumer warranties and guarantees* submitted by the Consumer Policy Committee (COPOLCO).

The proposal was originally submitted for voting to the ISO member bodies in 2012<sup>1</sup>. Although the proposal successfully passed the approval criteria, the committee could not be established due to the fact that no offers were received to undertake the secretariat.

ISO Central Secretariat recently received an offer from DSM (Malaysia) to undertake the secretariat of this Project Committee, therefore the proposal has been re-submitted for vote. The additional documents originally circulated with the proposal are attached at annex.

If you have any questions, please contact us at [tmb@iso.org](mailto:tmb@iso.org).

Yours faithfully,

Sophie Clivio  
Secretary to the Technical Management Board

Encl: Purpose & justification  
Draft Guideline Standard on warranties  
Results of questionnaire sent to member bodies  
CV of the proposed Project Leader

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<sup>1</sup> See original proposal [here](#)



| NEW WORK ITEM PROPOSAL                       |  |
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| Closing date for voting<br><b>2016-01-14</b> | Reference number<br>(to be given by the Secretariat)           |
| Date of circulation<br><b>2015-10-14</b>     | <b>ISO/TC / SC N</b>   |
| Secretariat<br><b>DSM</b>                    | <input checked="" type="checkbox"/> <b>Proposal for new PC</b> |

A proposal for a new work item within the scope of an existing committee shall be submitted to the secretariat of that committee with a copy to the Central Secretariat and, in the case of a subcommittee, a copy to the secretariat of the parent technical committee. Proposals not within the scope of an existing committee shall be submitted to the secretariat of the ISO Technical Management Board.

The proposer of a new work item may be a member body of ISO, the secretariat itself, another technical committee or subcommittee, or organization in liaison, the Technical Management Board or one of the advisory groups, or the Secretary-General.

The proposal will be circulated to the P-members of the technical committee or subcommittee for voting, and to the O-members for information.

**IMPORTANT NOTE: Proposals without adequate justification risk rejection or referral to originator.**

Guidelines for proposing and justifying a new work item are contained in [Annex C of the ISO/IEC Directives, Part 1](#).

The proposer has considered the guidance given in the [Annex C](#) during the preparation of the NWIP.

**Proposal** (to be completed by the proposer)

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| <p><b>Title of the proposed deliverable.</b><br/><i>(in the case of an amendment, revision or a new part of an existing document, show the reference number and current title)</i></p> <p>English title      Guidelines on consumer warranties and guarantees</p> <p>French title<br/>(if available)</p>   |
| <p><b>Scope of the proposed deliverable.</b></p> <p>The standard is intended for use by producers or sellers of goods and services to offer best practices and requirements for effective warranties when these are provided with goods and services.</p>  |
| <p><b>Purpose and justification of the proposal*</b></p> <p>Businesses (especially in developing and emerging economies) tend to mislead customers on their right to have a product (or service) which they purchased repaired and/or refunded if it does not perform as intended. Many businesses therefore take advantage of this and refer customers between wholesalers, manufacturers, regulators etc without providing information on the status of their repairs or refunds. In many countries' jurisdictions there is insufficient information about consumers' rights to warranties and guarantees in their consumer protection laws and domestic trade laws. However, with the multi-billion dollar growth potential of e-commerce and online shopping, issues with consumer rights regarding warranties and guarantees need to be clear, particularly when business is carried out on-line and across borders.</p> <p><i>*The reason for requiring justification statements with approval or disapproval votes is primarily to collect input on market or stakeholder needs, and on market relevance of the proposal, to benefit the development of the proposed ISO standard(s). Any NSB vote in relation to a proposal for new work may result in significant commitments of resources by all parties (NSBs, committee leaders and delegates/experts) or may have significant implications for ISO's relevance in the global community. It is especially important that NSBs consider and express why they vote the way they do. In addition, it is felt that it would be useful for ISO and its committees to have documentation as to why the NSBs feel a proposal has market need and market relevance. Therefore, please ensure that your justifying statements with your approval or disapproval vote convey the reason(s) why your national consensus does or does not support the market need and/or global relevance of the proposal.</i></p> |
| <p><b>If a draft is attached to this proposal,:</b></p> <p>Please select from one of the following options (note that if no option is selected, the default will be the first option):</p> <p><input checked="" type="checkbox"/> Draft document will be registered as new project in the committee's work programme (stage 20.00)<br/><input type="checkbox"/> Draft document can be registered as a Working Draft (WD – stage 20.20)<br/><input type="checkbox"/> Draft document can be registered as a Committee Draft (CD – stage 30.00)<br/><input type="checkbox"/> Draft document can be registered as a Draft International Standard (DIS – stage 40.00)</p>   |
| <p><b>Is this a Management Systems Standard (MSS)?</b></p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>NOTE: if Yes, the NWIP along with the <a href="#">Justification study</a> (see Annex SL of the Consolidated ISO Supplement) must be sent to the MSS Task Force secretariat (<a href="mailto:tmb@iso.org">tmb@iso.org</a>) for approval before the NWIP ballot can be launched.</p>  |

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| <p><b>Indication(s) of the preferred type or types of deliverable(s) to be produced under the proposal.</b></p> <p><input checked="" type="checkbox"/> International Standard   <input type="checkbox"/> Technical Specification   <input type="checkbox"/> Publicly Available Specification   <input type="checkbox"/> Technical Report</p>   |
| <p><b>Proposed development track</b>   <input type="checkbox"/> 1 (24 months)   <input checked="" type="checkbox"/> 2 (36 months - default)   <input type="checkbox"/> 3 (48 months)</p>   |
| <p><b>Known patented items (see ISO/IEC Directives, Part 1 for important guidance)</b></p> <p><input type="checkbox"/> Yes   <input checked="" type="checkbox"/> No   <b>If "Yes", provide full information as annex</b></p>   |
| <p><b>A statement from the proposer as to how the proposed work may relate to or impact on existing work, especially existing ISO and IEC deliverables. The proposer should explain how the work differs from apparently similar work, or explain how duplication and conflict will be minimized.</b></p> <p>The proposed work / project may influence the work of ISO TC 290 and any international standards which deals with Business to Consumers information about products and services. it draws on the ISO / IEC Guide 14:2003 - Purchase information on goods and services intended for consumers.</p>   |
| <p><b>A listing of relevant existing documents at the international, regional and national levels.</b></p> <p>A Consumer Guide to Warranties and Product Liability, By Jean Lukaz MIH, Ghana Standards Board (GSB)/ The Consumer Partnership, Ghana (The COP) Member</p> <p>General Conditions for Guarantee Certificate, The Egyptian Organization for Standardization and Quality (EOS),</p> <p>Consumer detriment: Assessing the frequency and impact of consumer problems with goods and services, April 2008,. UK Office of Fair Trading</p> <p>Canadian Consumer Handbook - Warranties</p> <p>Warranties and refunds - a guide for consumers and business by the Australian Consumer and Competition Commission</p> <p>ISO 10393 , Guidance standard on consumer product recall and corrective action: Code of good practice.</p> <p>ISO 10377 , Consumer product safety -- Guidelines for suppliers</p> <p>ISO 26000, Guidance on social responsibility</p>   |
| <p><b>A simple and concise statement identifying and describing relevant affected stakeholder categories (including small and medium sized enterprises) and how they will each benefit from or be impacted by the proposed deliverable(s)</b></p> <p>For consumers benefits will include:</p> <ul style="list-style-type: none"> <li>• Some degree of assurance that they will obtain redress if and when things go wrong;</li> <li>• Confidence that the product that they are buying will be backed by the producer/seller if the goods or services do not perform as expected;</li> <li>• A common reference for designing clear and explicit warranties, which addresses product failure adequately and reduces the degree of risk sustained by the consumer;</li> <li>• Improvements to boost product quality;</li> <li>• More confidence in the product from retailers and consumers.</li> </ul> <p>For suppliers especially online shopping startups (SMEs) and retail operators, benefits will include:</p> <ul style="list-style-type: none"> <li>• a competitive advantage in that consumers will purchase goods that have a warranty that conforms to an international standard;</li> </ul> <p>For regulators:</p> <p>Laws on warranties and guarantees may exist but are frequently difficult to interpret by for both consumers and businesses (especially SMEs). This International Standard will help regulators communicate requirements to the relevant stakeholders better. The International Standard will serve as an implementation tool or compliance support for the relevant stakeholders by fulfilling consumer guarantees and warranties requirements under their laws (if such laws exist).</p> |

**New work item proposal**

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|---|---|
| <p><b>Liaisons:</b><br/> <b>A listing of relevant external international organizations or internal parties (other ISO and/or IEC committees) to be engaged as liaisons in the development of the deliverable(s).</b><br/>                 ICPEN, OECD, CI</p>   | <p><b>Joint/parallel work:</b><br/> <b>Possible joint/parallel work with:</b><br/> <input type="checkbox"/> IEC (please specify committee ID)<br/> <input type="checkbox"/> CEN (please specify committee ID)<br/> <input type="checkbox"/> Other (please specify)</p>  |
| <p><b>A listing of relevant countries which are not already P-members of the committee.</b><br/>                 Ghana, Kenya, South Africa, Egypt, Thailand, Singapore, Indonesia, Vietnam, Australia, New Zealand, Chile, Brazil, Argentina, Norway, Japan, Korea [possible membership only - Committee not yet formed]</p>   |   |
| <p><b>Preparatory work</b> (at a minimum an outline should be included with the proposal)<br/> <input checked="" type="checkbox"/> A draft is attached      <input type="checkbox"/> An outline is attached      <input type="checkbox"/> An existing document to serve as initial basis<br/>                 The proposer or the proposer's organization is prepared to undertake the preparatory work required    <input type="checkbox"/> Yes    <input type="checkbox"/> No</p> |   |
| <p><b>Proposed Project Leader</b> (name and e-mail address)<br/><br/>                 ASSOCIATE PROFESSOR DR. RAHMAH ISMAIL<br/>                 FACULTY OF LAW, UNIVERSITI KEBANGSAAN<br/>                 MALAYSIA, 43600 UKM BANGI, SELANGOR<br/>                 Tel. No.: +603-89118431<br/>                 Fax No.: +603-89253217<br/><br/>                 Mobile Phone No.: +6019-2731560<br/>                 E-mail: irahmah@ukm.edu.my</p>                              | <p><b>Name of the Proposer</b><br/>                 (include contact information)<br/>                 Department of Standards Malaysia<br/>                 Jabatan Standard Malaysia (Standards Malaysia),<br/>                 Century Square, Level 1 &amp; 2, Block 2300, Jalan Usahawan,<br/>                 63000 Cyberjaya, Selangor Darul Ehsan, MALAYSIA<br/>                 Tel : +603-8318 0002 Fax : +603-8319 3131<br/><br/>                 Ratna Devi Nadarajan -CEO, Malaysian Association of<br/>                 Standards Users, email: ratna@standardsusers.org<br/><br/>                 DSM staff:<br/>                 shahrul_mt@jism.gov.my / ainal@jism.gov.my /</p> |
| <p><b>Supplementary information relating to the proposal</b><br/> <input checked="" type="checkbox"/> This proposal relates to a new ISO document;<br/> <input type="checkbox"/> This proposal relates to the adoption as an active project of an item currently registered as a Preliminary Work Item;<br/> <input type="checkbox"/> This proposal relates to the re-establishment of a cancelled project as an active project.<br/>                 Other:</p>                    |   |

**Annex(es) are included with this proposal** (give details)

justification paper and results of survey when the NWIP was first proposed in 2012 by ISO COPOLCO



## **NEW WORK ITEM PROPOSAL FOR ISO – GUIDELINE STANDARD ON CONSUMER WARRANTIES**

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**Purpose and justification (supplement)** [*originally prepared by WG on Global Market Place under the ISO Consumer Policy Committee or ISO COPOLCO. The content has been updated with content related to other countries and online shopping*]

### **Problems with warranties in relation to goods or services sold within one jurisdiction**

Problems with goods that are defective, or do not conform to the description of the contract, are one of the main reasons for consumer complaints, and also cause large financial and other detriment, both for individual consumers and for the economy as a whole<sup>1</sup>.

For example, research in the UK estimates that a third of all country's consumers experience problems with defective goods and substandard services, amounting to a total estimated financial loss to the country's population of £6.6 billion per year (8.4 billion Euro at the time of the study). Although the greatest proportion of this is generated by problems in the professional and financial sectors (46%), loss related to faulty goods is still a large proportion and amounts to many millions of Euros. Such problems also cause wasted time, anger, stress and additional expense; consumers in lower social strata experience greater effects, both in terms of ability to spend on other items, and in terms of stress .

The UK research was conducted by the UK Office of Fair Trading. A survey was comprised of two main stages: stage one fieldwork taking place from 2 November to 6 December 2007, and stage two from 8 December 2007 to 13 January 2008.

The first stage consisted of an Omnibus sift among 10,022 respondents. Around 2,000 face-to-face interviews were conducted on a weekly basis. Interviews were in-home with quotas and weighting applied to ensure a representative spread of interviewing. The omnibus interviews not only provided a robust sample size for measuring the incidence of consumer problems among the overall population, but also gave an opportunity to recruit respondents for a follow-up interview.

Omnibus respondents were asked to identify any problems (up to six) that they may have experienced with various types of goods and services within the last year. Prompt materials were used to optimize recall. The follow-up, second stage interview was conducted face-to-face with respondents who experienced at least one problem and had agreed to be re-contacted during the first stage.

Nine hundred and eighty-two respondents participated in the second stage interviews which were designed to give a more in-depth insight into problems and detriment and especially a more accurate assessment of detriment levels. In total, 1,489 problems were examined at this stage.

As mentioned above, the sample for the omnibus stage was representative of the British adult population (aged sixteen and over) in terms of demographics. It includes a range of respondents spread across gender, age, social grade, region, ethnicity and household structure.

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<sup>1</sup> European Union Policy Department, Economic and Scientific Policy, Consumer experience of legal guarantees, Transposition and implementation of the two year guarantee contained in the Sales Directive. IP/A/IMCO/FWC/2006-058/LOT 4/C1/SC7. Page 1

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For the second stage sampling was based on four strata according to the participants' initial estimate of detriment levels: less than five pounds, more than five pounds but less than £100, more than £100 but less than £1,000 and more than £1,000. Respondents were asked about up to two problems.

The methodology for this study involves two stages of interviews and stratification. Throughout the UK report, all results were produced using the appropriate analytical methods and weightings to ensure that results are unbiased.

Examples of the problems detailed by respondents to a survey of COPOLCO and DEVCO members on the desirability of a standard on warranties included:

- Misunderstandings about what precisely is covered;
- Problems of language;
- Disclosure of the terms of the warranty being made after it has been signed ;
- Who should bear the additional costs the consumer incurs as a result of a faulty product;
- Retailers offering to deal with a customer complaint in a way that negates the warranty;
- Manufacturers claiming that the start of the warranty period is the production date rather than the purchase date.

Examples of the problems detailed by respondents to the survey sent to members of Consumers International (CI) included:

- Problems with warranties in relation to imported goods: food, clothes, car parts, etc;
- Overselling of extended warranties;
- Costs of seeking redress;
- Uncooperative attitude of dealers failing to assist customers in accessing the manufacturer.

A separate response from ANEC/BEUC indicated concern with commercial warranties being offered against a small payment where the price can be disproportionate in relation to the risk to the consumer.

In Malaysia the National Consumers Complaints Centre receives more than 40,000 complaints annually since 2012 and has been coming up with annual report on consumer complaints since 2006. The source of many consumer grievances and dispute stem from unclear warranty terms. Online shopping complaints have increased many folds outnumbering complaints from conventional (brick and mortar) retailers since 2013. Automobile, automobile repairs, fitness centres, spas and household furniture and appliances are the ones with most number of complaints related to warranties and guarantees. Potential loss to consumers amounts to millions of Ringgit Malaysia.

### **Problems with warranties in relation to goods or services online or across jurisdictions**

Many of the comments made in a COPOLCO survey related more to general trading difficulties that consumers experience.

Examples of the problems detailed by ISO/COPOLCO/DEVCO respondents included:

- Unable to locate the seller;
- Difficulties with enforcing the terms of the warranty;

- Long (many pages) terms and conditions within which are restrictions to the warranty;
- Language;
- Online purchasing is more open to fraud and swindling.

Examples of the problems detailed by CI respondents included:

- Language;
- Importation of products that come with no warranty;
- Some businesses are fraudulent; it is difficult for customers to know which vendors are legitimate.

### **Online shopping**

Some of the best deals on products sold online may come with a hidden cost: their warranties may not be valid in country where the purchaser resides. Even if the products are brand new and genuine the manufacturer's service guarantees may not apply if it was brought in on the grey market from outside of the country where the purchaser resides. Some people and companies selling discounted products on line are bringing products from other countries which carry warranties that only apply in the original country.

Consumers then get bounced from manufacturer to retailer to brand owners and often get frustrated – and in this case do not return to the site.

Regulators are also finding it increasingly difficult to protect consumers online especially when companies are located elsewhere.

### **Need for International Standard/Guidance**

Examples of the comments made in support of the responses to a question regarding demand for an international standard or guidance of some kind by ISO/COPOLCO/DEVCO respondents include:

- It would be helpful when revising relevant laws;
- Various aspects of warranties depend on the whims of individual companies, international guidance would help to set benchmarks;
- It would improve consumer protection and prevent damage to consumer rights;
- It would be helpful and would assist relevant Government departments who are able to regulate in relation to warranties;
- Guidance on warranties requirements could assist when standards are developed;
- It could assist in advocating for change in legislation'

Examples of the comments made in support of the responses to a question regarding demand for an international standard or guidance of some kind by CI respondents include:

- An international code would reinforce laws and regulations and could add a cross-border dimension to this aspect of legal instruments;
- It would provide a framework on which national standards can be based;
- International standard or guidance could help deal with claims, especially for imported goods.

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The results of the survey showed that in many jurisdictions there are laws designed to regulate customer warranties offered on a voluntary basis. Respondents have supplied a wealth of information about the laws existing in their own countries which will be particularly valuable in taking this work forward. Many of those responding countries where there are no such laws claim there are some other measures available: specific laws or regulations for defective products; national voluntary agreements or codes; sector or company agreements, codes or other provisions.

Despite this range of tools available, a total of 33 respondents from the ISO/COPOLCO/DEVCO membership and the CI membership stated that there are problems for consumers in this area. Respondents provided a large number of examples of the sorts of problems that they are aware of in relation to goods and services sold, both within one legal jurisdiction, and online or across jurisdictions. Many of the problems stated could be helped by an international standard or guidance, although there are others which result from more general trading issues rather than problems related to warranties.

Twenty-five respondents (18 of the ISO/COPOLCO/DEVCO respondents and 7 of the CI respondents) said that an international standard or guidance of some sort would be helpful in their country; this is despite the existence of some relevant laws in many of these countries. It is useful to note that most of those 18 NSBs which expressed a need for an international /standard or tool in this area were from developing countries. These responses were supported by examples of the kinds of benefits that could be expected from such a tool. These, and the detailed comments given in relation to other questions, have been invaluable in deciding the detail of this new work item proposal.

Some of the comments related to problems with goods and services sold online may be of value to any future ISO work dealing with consumers' needs in business to consumer transactions taking place through the Internet.

A guideline standard on warranties could provide a best practice guide to manufacturers/retailers to follow thus providing them with a competitive advantage in the marketplace and, at the same time, give consumers some form of redress when things go wrong.

The economic importance of product warranties is *to provide insurance against unsatisfactory product performance*. A product or service should meet a level of quality and performance that would be reasonable to expect, given their price and description.

Traditionally, warranties provide less than full insurance by manufacturers against unsatisfactory product performance and this serves as risk-sharing between consumers and producers, particularly where no statutory warranties exist.

Manufacturers, for example, give implied warranties to retailers, who, in turn, give the same warranties to consumers. In this way, all parties connected with the sale of a product are given protection. In addition, manufacturers often give express warranties directly to consumers as an incentive to buy their products. Warranties help to improve the quality of products found in the marketplace. All warranties whether issued by retailers or producers can never give less than the statutory legislation where these exist. In some countries they are not allowed to be called warranties unless they go substantially beyond the statutory laws.

Warranties must state exactly what is covered and what is not covered, the timeframe of coverage and what constitutes a breach of the terms. In addition warranties must state what both the seller and consumer must do in the event that something goes wrong with the



product. Terms and conditions and the small print in service agreements may also be considered as statements of warranties.

### **Potential benefits**

For **consumers** benefits will include:

- Some degree of comfort for redress if and when things go wrong;
- Confidence that the product that they are buying will be backed by the producer/seller if the goods or services do not perform as expected;
- A common reference for designing clear and explicit warranties, operating adequately to reduce product failure, reducing the extent to which consumers share the risk.;
- Improvements to boost product quality;
- Giving retailers and consumers more confidence in the product.

For **suppliers** benefits will include:

- a competitive advantage in that consumers will purchase goods that have a warranty that conforms to an international standard;

For regulators, there will be benefits in allowing market mechanisms to work rather than having to use expensive intervention mechanisms.



## **DRAFT GUIDELINE STANDARD ON WARRANTIES**

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[originally prepared by WG on Global Market Place under the ISO Consumer Policy Committee or ISO COPOLCO. The content has been updated with content related to other countries and online shopping]

### **Introduction**

A warranty is a contractual promise by the seller [to a consumer] regarding the quality, character, or suitability of the goods it has sold.

The economic importance of product warranties is *to provide insurance against unsatisfactory product performance*. A product or service should meet a level of quality and performance that would be reasonable to expect, given its price and description.

Traditionally, warranties provide less than full insurance by manufacturers against unsatisfactory product performance and this serves as risk-sharing between consumers and producers.

Manufacturers, for example, give warranties to retailers, who, in turn, give the same warranties to consumers. In this way, all parties connected with the sale of a product are given protection. In addition, manufacturers often give express warranties directly to consumers as an incentive to buy their products. Warranties help to improve the quality of products found in the marketplace.

Warranties must state exactly what is covered and what is not covered, the timeframe of coverage and what constitutes a breach of the terms. In addition warranties must state what both the seller and consumer must do in the event that something went wrong with the product. Terms and conditions and the small print in service agreements may also be considered as statements of guarantee.

### **Scope**

The standard is intended for use by producers or sellers of goods and services to offer best practices and requirements for effective warranties and guarantees when these are provided with their goods and services..

### **Definitions**

#### **Statutory warranties**

A promise, arising by operation of law, that something that is sold will meet stated legal criteria such as merchantable and fit for the purpose for which it is sold.

### **Voluntary warranties**

An assurance by the seller of property that the goods or property are as represented or will be as promised.

### **Extended warranties**

An extended warranty, sometimes called a service agreement, a service contract, or a maintenance agreement, is a prolonged warranty offered to consumers.

### **Merchantable quality**

Goods must meet a level of quality and performance that would be reasonable to expect, given their price and description. They should also be free from defects that were not obvious at the time of purchase.

**Other definitions** to be added by drafting committee.

### **Characteristics of warranties**

Businesses must be accountable for the impacts of their decisions and activities on consumers and must always incorporate the interests of stakeholders [including consumers] whilst being in compliance with applicable laws and adhering to international norms of behaviour.

Warranties may insure both the consumer and manufacturer or seller from [un]known defects but they may not exclude the latter from liability resulting from adverse effects of defective products on consumers. The nature and content of warranties should take into consideration the following characteristics:

#### **Infringement of statutory rights**

A warranty should never restrict a consumer's statutory rights to redress, nor limit the supplier's statutory liability.

#### **Breach of warranty**

A warranty should plainly outline what constitutes a breach of the terms. In addition warranties must state what both the seller and consumer must do in the event that something went wrong with the product.

#### **Terms and conditions**

The terms of a warranty must be simply and clearly written, conspicuously disclose all important provisions, and may be available for inspection at the point of sale before the product is purchased, whereby both the seller and consumer append their seal and signature respectively as having accepted the conditions set therein.

#### **Duration of warranty**

The duration of the warranty must be clearly specified, and the starting date should be the date of original purchase (not manufacture), except in the case of perishable products where a sell-by/use-by date may be specified.

**Pre-conditions for registration: Personal details, initial fees**

A warranty should not require a consumer to register in order to secure coverage, nor should the consumer be required to pay a fee (as opposed to an extended warranty where registration and fees may be applicable). However, it should indicate what evidence is needed (e.g. invoice, receipt) as proof of ownership and date of purchase in the event of a claim.

**Language**

The terms of the warranty must be written in the language of where the product is sold.

**Explanation of terms**

Consideration should be given on ways that the seller can explain terms e.g. to illiterate consumers.

**Recurrent defects**

A product that falls into a cycle of warranty repair for the same defect must be fully replaced or refunded upon agreement with the consumer.

**Claims and repair center**

The warranty should indicate where and how the consumer should register any claim (e.g. with the retailer, local agent or manufacturer) including contact information such as a phone or website of the manufacturer.

**Cost of repair**

There should be no charge to the customer for processing a warranty claim, beyond the cost incurred by the consumer in delivering a defective product to a local (i.e. in the consumer's country) service point. Alternatively, the manufacturer could ship replacement parts to absorb the cost of receiving defective items.

**Exclusions**

Conditions of warranty, such as permitting the use only of the manufacturer's own branded consumables (e.g. paper, toner) are likely to be hotly debated, and are illegal in some countries. Blanket exclusions are unreasonable, but it may be acceptable to allow exclusions where it can be shown that the failure in question resulted directly from the use of inappropriate or defective consumables, such as putting diesel into a petrol-driven vehicle.

**Unconscionable disclaimers**

Warranties must not contain unconscionable terms and conditions in which the only choice for the consumer is between 'adhering' to the terms dictated by the seller, or not buying at all and must be universally rendered unacceptable as they are in breach of both express and implied warranties. Examples are clauses such as 'goods are sold on as is basis', 'monies paid are not refundable' and 'goods sold are not returnable'. If a consumer suffers from personal injury from using the product purchased, any warranty disclaimer pre-existing should be automatically rendered unconscionable. Goods may be sold on an "as is" basis " where the seller is selling goods that are not in the normal course of their business.

**Warranty certificate**

Verbal warranties must be unacceptable and should be formalized by the issuance of a printed and signed warranty certificate by the manufacturer or seller to the consumer in which there is a commitment that the products or goods shall perform satisfactorily and otherwise detail the terms and conditions of remedies in the event there should be a defect resulting from use of the product during the stipulated period of the warranty.

## Categories of warranties

### Product warranties

In all contracts for the sale of goods, consumers are protected by the inclusion of a number of statutory conditions and statutory warranties. The statutory conditions usually require that:

- 1) *Goods must be of merchantable quality* – they must meet a level of quality and performance that would be reasonable to expect, given their price and description. They should also be free from defects that were not obvious at the time of purchase;
- 2) *Goods must be fit for their intended purpose* – they should be suitable for any particular purpose the buyer made known to the seller;
- 3) *The goods must match the description given* to the consumer, or the sample shown;
- 4) A consumer must receive clear title to the goods – that is, the seller must be entitled to sell the goods.

Most of the laws in various cross-border jurisdictions contain common clauses of implied warranties on *merchantable quality of goods sold, their fitness for a particular purpose and goods matching the description or sample given*.

The common test for merchantability is whether the goods are fit for the ordinary purpose for which such goods are used.

For goods to be merchantable they must

- 1) Conform closely enough to the description in the contract without objection to others in the trade;
- 2) Be fit for the ordinary purposes for which such goods are used;
- 3) Be adequately contained, packaged, and labelled as the agreement may require;
- 4) Be of the same kind, quality, and quantity within each unit (case, package, carton);
- 5) Conform to the promises or statements of fact made on the container or label, if any.

Since most laws on sale of goods refer to the fact that goods must be of merchantable quality, the issue arises as to the nature of the parties to a contract for the sale of goods. In some jurisdictions, higher standards are required from merchants than non-merchants. Consumers, thus, tend to place more reliance on professional sellers and that professionals are generally more knowledgeable and better able to protect themselves than non-professionals.

In this case, the professional sellers are *merchants*: business people who regularly deal in the kinds of goods being sold, or purport to have some special knowledge about the goods, or who employed an agent in the sale who fits either of the two descriptions. In this case, if a consumer buys a used car from a used-car dealer, the dealer is a merchant for the purposes of his contract. But if he buys a refrigerator from a used-car dealer, the dealer is probably not considered to be a merchant for the purposes of that sale but will still be bound by the fitness for purpose clause.

### **Service warranties**

All contracts for the sale of services also contain a number of statutory warranties, which require that:

- 1) *Services must be of merchantable quality and must be carried out with due care and skill* – they must meet a level of quality and performance that would be reasonable to expect from an expert, given their price and description. They should also be free from consequent defects that were not existent prior to the service delivery;
- 2) *Fitness for Purpose*- The service and any materials supplied in connection with the service must be reasonably fit for the purpose for which the consumer made known to the seller and for which they are supplied;
- 3) *The service delivered must match the description given by the consumer and the solution prescribed by the service provider or expert.*



## RESULTS OF THE QUESTIONNAIRE ON CUSTOMER GUARANTEES/WARRANTIES FROM NSBs

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This questionnaire was distributed to members of the ISO Committee on consumer policy (ISO/COPOLCO), the ISO Committee on developing country matters (ISO/DEVCO), and to Consumers International (CI). The questionnaire was also sent to ANEC (the voice of the European Consumers in Standards) for information and coordination purposes. The first set of results below are from the members of ISO/COPOLCO and ISO/DEVCO; all members belong to both ISO/COPOLCO and ISO/DEVCO except as otherwise indicated.

Responses from CI members have been compiled separately. These are available for reporting purposes and are also listed in country alphabetical order. They appear just below the ISO members' responses.

Thirty-four (34) members responded to the survey: IRAM (Argentina), SARM (Rep. of Armenia), BAS (Bosnia & Herzegovina)\*, SCC (Canada), ICONTEC (Colombia), DS (Denmark), EOS (Egypt), AFNOR (France), GSB (Ghana), BIS (India), BSN (Indonesia), ISIRI (Iran), SII (Israel), JISC (Japan), JISM (Jordan), KAZMEMST (Kazakhstan), KATS (South Korea), KYRGYZST (Kyrgyzstan)\*, LST (Lithuania), DGN (Mexico), NSI (Namibia), NEN (Netherlands), SN (Norway), PSQCA (Pakistan), INDECOPI (Peru), ASRO (Romania), SPRING SG (Singapore), SABS (South Africa), SNV (Switzerland), INNORPI (Tunisia), UNBS (Uganda), BSI (UK), ANSI (USA), and YSMO (Yemen)\*.

Thirteen (13) members from CI responded to the survey. They were:

Choice (Australia), "Anna" National Association of Consumers (Armenia), Ligue pour la défense du consommateur au Bénin – LDCB (Bénin), National Consumer Service (Chile), Federation of German Consumer Organizations (Germany), Consumers Association of India (India), National Consumers League (Jamaica), Consumers Korea (Korea), DECOM – Consumers Protection Association of Mozambique (Mozambique), Consumer NZ (New Zealand), Consumer Awareness Organization (Nigeria), Association of Slovak Consumers (Slovakia), and Organisation de défense du consommateur (Tunisia).

The results from ANEC had been circulated to COPOLCO/DEVCO and to CI members in advance in order to help them avoid multiple citations of EU laws affecting European country member states. These results are available separately upon request.

### **Question 1a – Do you have laws or regulations in your country that regulate customer guarantees/warranties offered voluntarily by traders, in addition to any consumers' legal rights?**

|                                       |              |
|---------------------------------------|--------------|
| Yes, we have laws or regulations      | 27 responses |
| No, we have no laws or regulations    | 4 responses  |
| We have voluntary agreements or codes | 2 responses  |

Two respondents indicated "we have voluntary agreements or codes" in addition to "yes".

**Question 1b – If your response to question 1a was "yes" to laws or regulations, please briefly state what this covers and indicate what kind of consumer protection it offers (e.g. transparency requirements, pre-contractual information, rules on the content of the guarantee or warranty): are both products and services included?**

| <b>NSB<br/>(country)</b>   | <b>Response</b>   |
|----------------------------|---|
| IRAM<br>(Argentina)        | <p>In cases of voluntary offers of warranties the consumer law protects consumers in the sense that all advertisement or information that is made by manufactures or sellers is mandatory. In these cases the part of the law referred to warranties is applied in the same way as for legal warranties.</p> <p>The Consumer Law (Number 24240) covers a broad aspect about the warranty during the transaction of a good or service. It assures different aspects about transparency, legal period, information and requirements to be cover during the warranty. A brief mention of the aspects that it covers are mentioned further.</p> |
| SARM<br>(Armenia)          | <p>The Law on Consumer Protection includes requirements: a) for and service quality, safety, b) information about product (service), producer (provider), product (service) contents and guarantee, c) obligations of producer and service provider. The law includes both products and services.</p>   |
| BAS (Bosnia & Herzegovina) | <ul style="list-style-type: none"> <li>- General rules for guarantees</li> <li>- The product and goods are covered by the law.</li> </ul>   |
| ICONTEC<br>(Colombia)      | <p>The law and regulation are both products and services included. They cover pre-contractual information and rules on the content of the guarantee or warranty.</p>  |
| DS (Denmark)               | <p>Yes all the above subjects are covered by law and both services and products are included.</p>   |
| EOS (Egypt)                | <p>This standard specifies the general requirements related to the form and content of the written warranty certificate presented to the purchaser by the seller or the service center concerning the purchased product/commodity.</p>  |
| AFNOR (France)             | <p>Rules of guarantee concern both products and services.</p>   |
| BSN<br>(Indonesia)         | <p>On the Statute No 8; 1999, and Decree of Trade and Industrial Ministry; No 547/MPP/ Kep/7/2002 regarding Consumer Protection</p> <ul style="list-style-type: none"> <li>- Transparency</li> <li>- Precontractual information</li> <li>- Rules on contents of the quarantee and warranty</li> </ul>   |
| ISIRI (Iran)               | <p>The voluntary manuals and regulations of some companies that are based on the offers by government &amp; parliament, covers both products &amp; services &amp; include all the laws that commonly should be considered by suppliers, such as: specifying duties and tasks of suppliers, service networks, etc..., also the rights of consumers and users, the methods of consumers protection, rules and content of the guarantee or warranty, etc.... It should be noted that only some companies which have guidelines may remark some of the above points.</p>  |
| SII (Israel)               | <p>Transparency requirements, pre-contractual info, content of the guaranty availability and location of service-stations. Refer to both products and services.</p>   |
| JISC (Japan)               | <p>The Housing Quality Assurance Act; To enable an extension of warranty period for a maximum of 20 years after the purchase of new residential housings.</p>   |
| KAZMEMST<br>(Kazakhstan)   | <p>“About protection of consumers’ rights” Law and the Civil Code of the Republic of Kazakhstan.</p> <p>Customer guarantees/warranties offered voluntarily by traders include: quality guarantee; freedom of goods and services choosing; replacement of goods during 14 days since they have been purchased in the case if you saved the check or another document proving the payment.</p> <p>A consumer is entitled to full information about the goods, goods and services choosing, performance of traders/producers’ functions in an appropriate way according to a contract and legislation.</p>                                     |
| KATS (Korea)               | <p>The laws on consumer protection are including the Consumer Protection Act, the Product Liability Act, Monopoly Regulation and Fair Trade Act, and the Quality Management and Safety Control of Industrial Products Act. Both product and services are included, and the acts offer transparency requirements, pre-contractual information, and rules on the content of the guarantee or warranty.</p>  |



|                          |   |
|--------------------------|---|
| KYRGYZST<br>(Kyrgyzstan) | <p>Yes we have the law of Kyrgyz Republic on "protection of consumer rights N90 from 10.12.1997 and the law The basis of technical regulation N67 from 22.05.07</p> <p>The law on protection of consumer rights regulates relations between consumers and producers, performers, vendors in the sale of goods (works, services), establishes the right of consumers to purchase goods (services), good quality and safe for life and health of consumers, to obtain information about goods (works, services) and manufacturing (executors, sellers), education, government and public protection of their interests, as well as to determine the mechanism for the realization of these rights. The law protects society from the establishment and development of monopolies in trade, but also promotes and supports competition in the conditions that prohibit the illegal and discriminatory practices by which fair and honest competition is reduced to zero or has obstacles.</p> <p>The law on the basis of technical regulation in article n°5 "Technical Regulation shall be taken only for security purposes: to protect the lives and health of human beings: to protect the environment, to protect the lives and health of animals and plants: to prevent action, misleading consumers."</p>  |
| LST (Lithuania)          | <p>Civil Code of the Republic of Lithuania establishes the general obligations and rights of the seller and the buyer. The Article 6.338 established time limits for filing claims regarding the defects of the sold things.</p> <p>Law on Consumer Protection of the Republic of Lithuania established quality and safety requirements for goods and services.</p>   |
| DGN (Mexico)             | <p>There is not a particular legislation or standard in Mexico to force suppliers or businesses to offer a warranty in their goods or services. Nevertheless, the Federal Consumer Protection Law (LFPC, by its initials in Spanish language) points out that every good or service offered with a warranty shall be subject to the provisions of this Law and to the pacts between the suppliers and the consumer.</p> <p>In this sense, suppliers who offer products with warranties should fulfil with the articles 77, 78, 79, 80, 81, 83, 84 of the LFPC:</p> <ul style="list-style-type: none"> <li>- The warranty policy shall be issued by the supplier in written, in clear and accurate fashion, expressing, at least, its scope, duration, conditions, mechanisms to make it effective, address to submit claims and premises or service shops.</li> <li>- The warranties offered may not be less than the warranties determined by the applicable provisions, nor stipulate conditions or limitations that diminish the rights legally conferred upon the consumer.</li> <li>- Producers shall insure and be accountable for the timely supply of spare parts, as well as the repair services during the duration of the warranty,</li> <li>- The time that the repairs performed under the warranty may last, shall not be estimated within the term of such warranty. When the good has been repaired, a warranty shall start regarding the replaced spare parts, and shall continue with respect to the rest of the components thereof. If the good is replaced, the term of the warranty shall be renewed.</li> </ul> <p>Likewise, there are Official Mexican Standards (technical standards) for specific products (e.g. electrical household appliances and toys) that oblige suppliers of products and services to display the minimum requirements in case they offer warranties.</p> <p>A series of reforms regarding the LFPC came into force on 30<sup>th</sup> January 2009. These reforms focus on the housing sector and are related to the articles 73 QUARTER and 73 QUINTUS:</p> <ul style="list-style-type: none"> <li>- Every real property regulated by the Law (LFPC) shall be offered to consumers with the respective warranty, which should be at least for one year effective from the date when the good is delivered. This case applies when suppliers are developers, constructors, promoters and other persons that take part in rendering advisory services and sale of housing to the public to be used as dwelling places, or when the consumer has been granted the right to use the real property through the timesharing system.</li> <li>- The time that the repairs performed under the warranty may last, shall not be calculated within the term of such warranty. When the good has been repaired the warranty shall start regarding the replaced spare parts.</li> <li>- In the case of consumers had used the warranty and, notwithstanding, the faults in the product or service persist; suppliers have to repair them immediately. Also, when</li> </ul> |

|                  |  |
|------------------|--|
|                  | <p>these products and services have mild faults or defects, suppliers will provide a refund of five (5) per cent over the value of the repair. On the other hand, if the product has seriousness faults or defects (that affect the frame or facilities of the real property) the provider shall refund 20 per cent of the amount indicated in the contract as price of the good.</p> <ul style="list-style-type: none"> <li>- In the case of the above mentioned warranty and if refunds are exercised and suppliers have not corrected the seriousness defects and faults, consumers may choose any of the following actions: <ul style="list-style-type: none"> <li>o To request the replacement of the real property, in which case the supplier shall pay all the expenses related; or</li> <li>o To request the cancellation of the contract, in which case the supplier shall be bound to refund the price paid and, if applicable, the interest set out in the Law (average cost of funds that the Central Bank of Mexico establishes).</li> </ul> </li> </ul> <p>As mentioned above, the Chapter IX of the Federal Consumer Protection Law (LFPC) establishes the minimum requirements that supplier shall fulfil when a warranty is offered to consumer regarding the good, product or service hired.</p> <p>The Official Mexican Standards (NOM by its initials in Spanish language), regarding trade practices, point out the LFPC as the Law that regulate warranty matters.</p>  |
| SN (Norway)      | <p>Guarantee regulations in Norway is stated in the Marketing Act.<br/>Excerpt from the Norwegian Marketing Act 2009-01-09</p> <ul style="list-style-type: none"> <li>- Chapter 1 General provisions, §5 Definitions<br/><i>guarantee</i>: any liabilities undertaken by the tradesperson towards the consumer regarding trade of goods, services or other performances giving the consumer rights in addition to his/her other rights.</li> <li>- Chapter 5 Control of terms of agreement, § 23. Requirements for consumer relations guarantee terms</li> </ul> <p>If a guarantee is provided, the following guarantee terms shall be communicated in a clear and plain manner:</p> <ol style="list-style-type: none"> <li>a) the content of the guarantee, including any limitations and particular terms,</li> <li>b) that the consumer's rights according to applicable and specified legislation are complementary to the guarantee, and that these rights will not be affected by the guarantee,</li> <li>c) what is required in order to use the guarantee, including the duration of the guarantee, its geographical field of application, and the name and address of the guarantor,</li> <li>d) maximum time limit for complaints according to applicable and specified legislation, if it exceeds the duration of the guarantee period,</li> <li>e) that if the guarantee is limited, e.g. if it only applies to a particular part of the performance, or if only parts of the repair costs will be covered by the guarantee, it is still possible to make complaints about the performance as a whole according to applicable and specified legislation.</li> </ol> <p>Where the marketing prior to entering into a contract is directed at Norwegian consumers, the guarantee terms shall be formulated in Norwegian.</p> <p>Prior to entering into a contract the guarantor shall inform the consumer of the guarantee and that the consumer is entitled to an issue of the guarantee terms. When requested by the consumer, he or she shall be provided with the guarantee terms in a format that is readable and stored on paper or another permanent medium controlled by the consumer.</p> |
| PSQCA (Pakistan) | <p>The Punjab Consumer Protection Act 2005</p> <p><u>Liability arising from defective products:</u></p> <ul style="list-style-type: none"> <li>- Liability for defective products</li> <li>- Defective in construction or composition</li> <li>- Defective in design</li> <li>- Defective because of inadequate warning</li> <li>- Defective because of non-conformity to express warranty</li> <li>- Proof of manufacture's knowledge</li> <li>- Restriction on grant of damages</li> <li>- Duty of disclosure</li> <li>- Prohibition on exclusions from liability</li> </ul>   |

|                      |   |
|----------------------|---|
|                      | <p><u>Liability arising out of defective and faulty service:</u></p> <ul style="list-style-type: none"> <li>- Liability for faulty or defective service</li> <li>- Standard of provision of service</li> <li>- Restriction on grant of damages</li> <li>- Duty of disclosure</li> <li>- Prohibition on exclusions from liability</li> </ul> <p><u>Obligations of manufactures</u></p> <p><u>Unfair practices</u></p> <p><u>The power of the authority</u></p> <p><u>Consumer protection council</u></p> <p><u>Disposal protection council</u></p> <p><u>Disposal of claims and establishment of consumer courts:</u></p> <ul style="list-style-type: none"> <li>- Filing of claims</li> <li>- Settlement of claims</li> <li>- Penalties</li> <li>- Appeal</li> <li>- Finality of order</li> <li>- Dismissal of frivolous or vexatious claims.</li> </ul>  |
| INDECOPI<br>(Peru)   | <p>Regarding guarantees/warranties offered voluntarily by traders, this issue is contemplated in the Article 8° of the Protection to the Consumer Law, which establishes responsibility to the supplier by the suitability of the products that are available in the market, as follows:</p> <p>Article 8° "The suppliers are responsible, besides, by the suitability and quality of the products and services; by the authenticity of the marks and legends that exhibit the products; by the truth of the commercial publicity of the products; and by the content and the useful life of the product indicated in the container, in which it corresponds."</p> <p>According to the area of application of the norm, the protection to the consumer is offered to the products and the services that are in the market.</p> <p>Thus, our system considers the existence of an implied warranty, like the obligation of the supplier to respond for good or service in case it did not turn out to be suitable to satisfy the expectations of the consumers.</p> <p>The implied guarantee does not imply that the supplier should respond when the product does not offer the best possible quality and is observed in the obligation that the suppliers respond when good or service are not suitable and foreseeable uses for what normally are acquired or hire in the market, considering the conditions of the market, such as place, information given at the moment of the acquisition, existing publicity, presentation of the product, or the terms and conditions offered, among others. Because those can generate different expectations in a reasonable consumer, and therefore, they should be taken into account to define the reach of the implied guarantee, for example they can determine the reasonable most minimum time of duration of the product.</p> <p>On the other hand, the explicit guarantee exists, which refers to the terms and conditions explicitly offered by the supplier, that being acquaintances or knowable by the reasonable consumer utilizing their ordinary diligence exclude the implied guarantee. This can be above-mentioned to the limitation of the obligations to the ones that is subject the supplier that markets a well or offers a suitable service, whenever report to the consumer that sells good or gives the service in different conditions from the ones that would derive from the implied guarantee.</p> <p>The explicit guarantee generally is found content in the documents, containers, bills, receipts, contracts or other instruments through which informs the consumer, this should be informed to the consumer or would not exclude to the implicit guarantee.</p> |
| ASRO<br>(Romania)    | Law 449/2003 (reissued on 2008), regarding selling and associated guarantee for products which harmonize the provisions of Directive 1999/44/CE of European Parliament and Council on 25 May 1999 – refers to the content of the guarantee.   |
| SABS (South Africa)  | The new Consumer Protection Bill provides for comprehensive customer protection to customer recourse for products, services, contract, etc.   |
| SNV<br>(Switzerland) | Swiss Code of Obligations (CO, SR 220, Art. 197ff)<br><a href="http://www.admin.ch/ch/d/sr/c220.html">http://www.admin.ch/ch/d/sr/c220.html</a><br>- Products<br>- Regulates the duration of warranties (Art. 210 CO).<br>- Validity of warranties (Art. 199 CO)  |

|                   |   |
|-------------------|---|
|                   | <p>- Consumer rights (Art. 205ff CO)</p> <p>- The legal warranty can be modified, extended or excluded through contracts under private law (general terms and conditions)</p>   |
| INNORPI (Tunisia) | All products and services that are subject to transactions on the local market and in particular household appliances, electronic products, mobile phones and cars (for products), and car repair dry cleaning and repair of mobile phones (for services).  |
| UNBS (Uganda)     | Sale of Goods Act Cap 82 covers sale of goods including matters related to warranties, contents of contract. The scope of the law excludes services.  |
| BSI (UK)          | The EU directive and consultations referred to in the ANEC/BEUC response are relevant to the UK as a Member State. Therefore the manufacturer's warranty is deemed part of the consumer's contract by virtue of the EU Consumer Sales and Associated Guarantees Directive.  |
| ANSI (USA)        | <p>Generally speaking, U.S. law does not require sellers to offer warranties beyond those that are implied by state law in consumer contracts (i.e., the implied warranties of merchantability and fitness for a particular purpose). However, if a seller chooses to offer such a warranty, it must comply with federal warranty laws and regulations. These laws and regulations try to ensure that the terms of warranties are clear and available to consumers, and that consumers can obtain and keep copies of warranties so that they know what to do should they need to enforce it.</p> <p>Therefore, if a seller chooses to offer a warranty, the Federal Trade Commission favours the clarity and availability of warranty terms so that consumers may compare and choose among products in the marketplace. Moreover, the Commission favours the consumer's ability to obtain and retain copies of warranties so that they may know what to do should the need arise to activate the terms of a warranty.</p> <p>Title I of the Magnuson Moss Warranty-Federal Trade Commission Improvements Act (15 U.S.C. §§ 2301-2312) authorizes the Commission to develop regulations for written and implied warranties. The Act directs the Commission to establish disclosure and designation standards for written warranties, specifies standards for full warranties, and establishes consumer remedies for breach of warranty or service contract obligations.</p> <p>You may find the Commission's Rules, Regulations, Statements and Interpretations Under the Magnuson-Moss Warranty Act (16 CFR 700-703) at <a href="http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?&amp;c=ecfr&amp;tpl=/ecfrbrowse/Title16/16cfrv1_02.tpl">http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?&amp;c=ecfr&amp;tpl=/ecfrbrowse/Title16/16cfrv1_02.tpl</a>.</p> <p>The Commission has published a Businessperson's Guide to Federal Warranty Law, which provides a good summary of federal warranty requirements and can be found at <a href="http://www.ftc.gov/bcp/edu/pubs/business/adv/bus01.shtm">http://www.ftc.gov/bcp/edu/pubs/business/adv/bus01.shtm</a>. Another useful resource is the business guidance piece entitled Writing Readable Warranties (<a href="http://www.ftc.gov/bcp/edu/pubs/business/adv/bus20.shtm">http://www.ftc.gov/bcp/edu/pubs/business/adv/bus20.shtm</a>).</p> |
| YSMO (Yemen)      | We have law for Consumer Protection (Law n°46/2008) which contents the Consumers' rights (transparency compensations knowledge).  |

**Question 2a – If there are no specific laws or regulations applicable to customer guarantees/warranties, are consumer's purchases protected by any of the following?**

|   |             |
|---|-------------|
| Laws or regulations for defective products/ services not mentioned in 1b                        | 6 responses |
| Countries responding were: Ghana, India, Iran, Namibia, Romania, UK                             |             |
| National voluntary agreements or codes  | 2 responses |
| Countries responding were: Romania and UK   |             |
| Sector or company agreements or codes   | 5 responses |
| Countries responding were: Canada, Iran, Japan, Romania, UK                                     |             |
| Other provisions or conventions   | 2 responses |
| Countries responding were: Kazakhstan and UK  |             |
| None of the above   | 7 responses |
| Countries responding were: Colombia, Jordan, Kyrgyzstan, Netherlands, Pakistan, Peru, Singapore |             |

**Question 2b – If your response was positive to any of the options in question 2a, please describe briefly:**

| <b>NSB (country)</b>  | <b>Response</b>  |
|-----------------------|--|
| GSB (Ghana)           | <ul style="list-style-type: none"> <li>- Sale of Goods Act, 1962 (Act 137) – S13 of the Act provides that there is an implied condition that goods are free from defects which are not declared or known to the buyers at the time a contract is made.</li> <li>- Hire Purchase Decree, 1972 (NRCD 292) – It provides that the owner of goods that are under a hire-purchase agreement should ensure that the goods are of merchantable quality and free from undeclared defects.</li> </ul> |
| BIS (India)           | Proviso under section 12 of the Consumer Protection Act, 1986.   |
| BSN (Indonesia)       | All have been done but in a very limited level.  |
| ISIRI (Iran)          | The laws and regulations of the governmental sources has specified the required quality of the products and services and in some cases that guarantee and warrantee is not applicable, some traders apply their own guidelines in order to access the competitive market.  |
| JISC (Japan)          | Some codes of local governments or voluntary industry standards provide the items to be specified in the warranties when it is issued by the manufacturer or supplier.   |
| KAZMEMST (Kazakhstan) | In case of a situation where it is not regulated by legislative acts, the solution can be found by signing an agreement or a contract between the parties.   |
| ASRO (Romania)        | <ul style="list-style-type: none"> <li>- Government decision n° 1219/2006 on measures and application of common rules regarding compensations and assistance on passengers in case of reject boarding or delay and cancellation of flights.</li> <li>- Government decision n° 1305/2007 on designation of national authorities in charge with market surveillance.</li> </ul>  |
| BSI (UK)              | <ul style="list-style-type: none"> <li>- Consumers' statutory rights against the seller</li> <li>- Sale of goods law agreed through OFT with arbitration</li> <li>- Trade association codes</li> <li>- Normal trade practice rules</li> </ul>  |

**Question 3a – Are you aware of consumer problems in relation to guarantees / warranties?**

Yes: 22 responses

no: 6 responses

not sure: 3 responses

**Question 3b – If your response was "yes" to question 3a please describe some examples of problems in relation to:**

**- Goods or services sold within one legal jurisdiction:**

| <b>NSB (country)</b> | <b>Response</b>  |
|----------------------|--|
| IRAM Argentina)      | <p>Some supermarkets offer as an extra warranty the possibility to change the product for another one if after the delivery, and during the next three days, the product fails and the consumers are not satisfied with it.</p> <p>This is not an obligation of the seller. After the three days the consumer has to ask to the brand official service for the repair to maintain the warranty.</p> <p>This is a problem for consumers because the service does not always have a good management, and does not always have the spares to repair (even the law include these aspects).</p> |
| SCC (Canada)         | <p>Warranty transfer from US to Canada is inconsistent.</p> <p>There is often a problem concerning what is covered and what is not covered especially for such things as extended warranties on consumer goods.</p>  |
| EOS (Egypt)          | Some companies state in their warranty certificates that the warranty's period starts as of  |

|                       |  |
|-----------------------|--|
|                       | <p>the production date of the purchasing date which result in the misleading and deceit of the consumers in respect of the warranty's information. In this respect, the Egyptian standard "General Requirements for Warranties" provide a solution to this problem by stating that "The duration of the warranty certificate starts as of the purchasing date or the operating date as fixed by the producer or his agent.</p> <p>The long duration declared in the preamble of the warranty certificate, which may be mentioned for 7 years, may result in the misleading of the consumer in respect of the written duration as in fact each part of the product has its own warranty period. In this regard, the Egyptian standard " General Requirements for Warranties" states that (in case a definite duration has been declared in the preamble of the warranty certificate, the warranty will cover the product/commodity together with all its components during such duration).</p> <p>There were no obligations or laws that protect the consumer from the problems of consecutive breakdowns. In this connection, the Egyptian standard "General Requirements for Warranties" stipulates that (if the interruptions affecting the function quality of the product/commodity took place more than two consecutive times during the first year of the warranty duration, which ever is less, it should be replaced by a perfect alternative free of charge.)</p> |
| AFNOR (France)        | Consumers may have difficulties with e-trade, especially in case of transborder.   |
| BIS (India)           | See attachment.  |
| BSN (Indonesia)       | The understanding for Indonesian Consumers about the Manual and warranty in English is not adequate. Therefore it must be written in Bahasa Indonesia particularly for electronic product, food and drugs.   |
| ISIRI (Iran)          | <ul style="list-style-type: none"> <li>- No active representation or agency of after sale services</li> <li>- No supply of the needed spare parts, shortchange, cheats in sale and offering low quality or non-standard goods or services.</li> <li>- No substitute of damaged, defected or low quality goods or services</li> <li>- Inactivity and bankruptcy of some companies and damage of after sale services.</li> <li>- No transparency and support of the warranted services and required quality.</li> </ul>  |
| SII (Israel)          | <ul style="list-style-type: none"> <li>- Avoidance of disclosure of guarantee terms before signing the contract</li> <li>- Avoidance of the supplier's guarantee with the product</li> <li>- Voluntary only guarantee in case of some products.</li> </ul>   |
| JISM (Jordan)         | <ul style="list-style-type: none"> <li>- Goods are faulty at the time of sale</li> <li>- Repair or replacement of goods that are not of satisfactory quality may take a reasonable time and cause significant inconvenience to the consumer</li> <li>- The reduction in the goods prices because of a fault that is neither brought to the attention of the consumer, nor the seller allow the consumer to examine the goods</li> </ul>  |
| KAZMEMST (Kazakhstan) | <ol style="list-style-type: none"> <li>1. Selling of poor-quality goods and services</li> <li>2. Condominium</li> <li>3. Share building</li> </ol>   |
| KATS (Korea)          | The one legal jurisdiction is properly applicable to goods or services. All the laws are applied to the entire area of Korea.  |
| LST (Lithuania)       | Different EU member states have got different consumers security level regarding their rights in case of defective product.  |
| DGN (Mexico)          | <ul style="list-style-type: none"> <li>- Denial from business for consumer in order to exercise the warranty,</li> <li>- Manufacture defects,</li> <li>- Denial from business to return, refund or change of the good or service,</li> <li>- The warranty offered does not fulfil the requirements according to the law (LFPC),</li> <li>- Denial from business to the payment of additional costs incurred by consumers.</li> </ul>   |
| NSI (Namibia)         | Often the consumer is settled with a defective product which is obviously not fit for purpose yet, only recourse is the capricious whim of the common law.   |
| INDECOPI (Peru)       | <p>The main problems that consumers are confronted with are the following:</p> <ol style="list-style-type: none"> <li>a) Refusal of the supplier to execute the guarantee of the product.</li> <li>b) The terms of the guarantee are not clear and they cause confusion respect of its scope and application.</li> <li>c) Difficulties of the consumers to accredit that the defects of deficiencies in the product or service are attributable to the supplier.</li> <li>d) Not provide information about the state in which the goods enter to the technical services and the results after their revision.</li> <li>e) Suppliers do not offer any profitable solutions for the consumers and less costly for their</li> </ol>   |

|                       |  |
|-----------------------|--|
|                       | business, because there not any laws or standards regulating the guarantees.   |
| ASRO (Romania)        | Too much time required for providing service (delays in maintenance providing), contractual terms in financial services, etc.  |
| SPRING SG (Singapore) | - Defective goods being sold.<br>- Terms and conditions in the warranty card. For example, some have clauses that limit the cost of repairs to the price of the item.  |
| SNV (Switzerland)     | - Consumers' unawareness of the rules due to coexistence of legal systems and self-regulation<br>- Rules according to self-regulation are difficult to understand for consumers and often disadvantageous for them.  |
| INNORPI (Tunisia)     | Among the products at issue should be mentioned in particular mobile phones, computer, electrical and electronic items.  |
| UNBS (Uganda)         | 1. Claims related to the warranties are rather difficult to follow up as they are not honoured;<br>2. Conditions of the warranty are not normally clear especially exemptions within the contracts are not clearly stated and explained to the consumer especially when it comes to electronic items, laundry services, etc.<br>3. Some warranties are fake and bogus intended to attract consumers to buy but not honoured. |
| BSI (UK)              | Seller attempting to avoid his legal obligations by passing them to manufacturer under warranty.   |
| ANSI (USA)            | See note below   |

**- Goods or services sold online or across jurisdictions:**

| <b>NSB (country)</b>  | <b>Response</b>  |
|-----------------------|--|
| IRAM (Argentina)      | In these cases the problem appears when after a problem there are problems with the jurisdiction where the claim has to be made and in some other cases (abroad or Internet purchases)   |
| SCC (Canada)          | No enforcement on online service warranties.   |
| EOS (Egypt)           | It is difficult to protect the consumer using the internet in his transactions as this facilitates the process of deception and swindling. In this respect, we appeal to apply an international law to restrain such processes.                        |
| DIN (Germany)         | - enforcement<br>- language  |
| BIS (India)           | See attachment.  |
| BSN (Indonesia)       | The statute for the above matters just recently launched in 2008. It still needs to be informed to public.   |
| ISIRI (Iran)          | - In some cases no access to the seller<br>- No transparency and practical support of the services and guaranteed quality<br>- No security in payments.  |
| SII (Israel)          | Foreign languages of the guarantee. Different rules in different countries. Two different guarantee certificates for one imported product.   |
| KAZMEMST (Kazakhstan) | 1. Delivery of goods which do not meet the order;<br>2. In the case of unauthorized sale ("street sale") the product is sold, but the trader remains identified.   |
| KATS (Korea)          | Korea has one legal jurisdiction, which is applicable to all the country equally.  |
| DGN (Mexico)          | - Courier service's payment<br>- Taxes,<br>- Warranty not offered,<br>- The supplier's domicile does not exist,<br>- Denial to refunds, returns or change of the good or service.  |
| INDECOPI (Peru)       | The main problem for the consumers is when it is not possible to locate or identify the supplier online or if located outside of the national territory; in these cases the regulation of our country can not be applied.                              |
| SNV (Switzerland)     | - Rules according to self-regulation difficult to understand for consumers (c.f. absence of translation or bad translation)<br>- Unawareness of the rules by consumers due to different legal systems (e.g. in Switzerland and in the European Union). |

|               |   |
|---------------|---|
| UNBS (Uganda) | These are normally difficult to enforce and what is advertised is different from what is delivered.   |
| BSI (UK)      | <ul style="list-style-type: none"> <li>- Some difficulties with cross border communication</li> <li>- Repair option not easy</li> <li>- Some concern expressed about the very lengthy "Terms and Conditions" which include guarantee limitations, which you are obliged to "tick box to agree" before you can purchase many products and services via the internet - examples being flight tickets, software, etc. These are often several pages long, need to be specifically downloaded, and even then it is difficult to find the information you might need. This issue grows in tandem with the growth in internet shopping.</li> </ul> <p>It seems that, in the UK, Financial Services legislation now requires the inclusion of a bold "Key Facts" box into which the most important information is required. This enables easier comparisons or highlights undesirable aspects which you may need to know.</p> <p>Consequently, and more research would be necessary, an extension of this "Key Facts" initiative is worth exploring for possible inclusion if an International Standard or guidance is developed. This might then be effective across jurisdictions.</p> |
| ANSI (USA)    | See note below  |

#### Question 4a – Would an international standard or guidance document be helpful in your country?

Yes: 18 responses

no: 8 responses

possibly: 6 responses

(See column 2 in the table below)

#### Question 4b – If you answered yes to 4a, please explain your answer.

| NSB (country)              | 4a  | Response   |
|----------------------------|-----|--|
| IRAM (Argentina)           | Yes | Even if our law is good enough for warranties issues, an international standard could be useful in the sense of having a baseline that gives consumers a reasonable confidence when it is buying goods or considering any service. It will be more important if this international standard could give a solution to those purchases that are done out of the own country of the consumer or by Internet. Aspects that are not covered by law and are important for consumers in these cases are about: information, transparency, procedures, and ways to use the warranties in an appropriate manner, also legal jurisdiction. |
| SARM (Armenia)             | Yes | As some laws on product quality and safety are being revised, it will be helpful.  |
| BAS (Bosnia & Herzegovina) |     | It would not be any dilemma; on the international level we would have the same rules on the content of guarantee, guarantee's language, period...  |
| SCC (Canada)               | Yes | It would give advocates the basis for making national demands for compliance.  |
| ICONTEC (Colombia)         | P   | Guidance could be helpful as general guide for international trade and some particular cases. However, Colombia is only interested in an international guidance and not in standard because Colombia and many countries have regulations in this topic.  |
| DS (Denmark)               | No  |  |
| EOS (Egypt)                | Yes | The international standard or guidance document will cease the problem of deceiving and misguiding the consumer. Moreover, it will help unify the warranty certificate globally whether in its form or content.  |
| AFNOR (France)             | P   |  |
| GSB (Ghana)                | Yes | The existing laws are not adequate to cover situations where a warranty is granted.  |
| BIS (India)                | Yes | The nature, extent, duration, coverage or exclusion to warranties is based on whims and fancies of individual companies. An international guidance document will help to   |



|                       |     |  |
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|                       |     | set benchmarks. Please see the common problems faced by Indian consumers. The lists C and D attached have been prepared from a pool of 50'000 complaints received at our associated national Consumer Helpline.  |
| BSN (Indonesia)       | Yes | An IS or guidance document would help as references for transaction of goods and services.   |
| ISIRI (Iran)          | Yes | To prevent damage of consumers' rights and to improve the consumer protection as the culture in guarantee and warrantee, considering the development of services in all aspects of economy and ICT, the need for global & international guidelines and standards seems necessary. On the other hand, having such standards for all companies and suppliers in all areas (traditional, virtual and electronic) is necessary and these standards will lead to improvement and economic development and to provide the field of using and sampling from the other countries' abilities.   |
| SII (Israel)          | Yes | Enlarging the range of service station world wide<br>- Will enlarge the range of products that will need guarantee<br>- Will create international pressure atmosphere that will encourage the use of guarantee.<br>- Unification of guarantee rules.   |
| JISC (Japan)          | No  |  |
| JISM (Jordan)         | Yes | The issuance of an international guideline related to the consumer guarantees/warranties will be helpful in our country where the governmental bodies in Jordan such as Ministry of Industry and Trade can regulate customer guarantees/warranties offered voluntarily by manufacturers and traders by referring to such guideline within the related sales act. Additionally, JISM would participate in studying the draft documents and adopt it at the national level after its publication by ISO.   |
| KAZMEMST (Kazakhstan) | Yes | In the case of rendering of dispute resolution in favor of trader/producer in our country, a consumer has an opportunity to appeal in the international court.   |
| KATS (Korea)          | Yes | The international standards and guidance are used in making national standards (Korean Standards, KS) and the regulations concerning goods or services. In addition, these standards and guidance are very useful when we cooperate and trade with other countries.  |
| KYRGYZST (Kyrgyzstan) | No  |  |
| DGN (Mexico)          | P   | Profeco deems important to bring into line the warranty's requirements when standards are elaborated, in order to harmonize its fulfilment with international standards. This fact could make easier its fulfilment and have access to markets.  |
| NSI (Namibia)         | Yes | An international standard may form a good basis for a new law on consumer protection and guarantees on consumer products.  |
| NEN (Netherlands)     | No  |  |
| SN (Norway)           | No  |  |
| PSQCA (Pakistan)      | P   |  |
| INDECOPI (Peru)       | No  | The existence of a standard that permits the establishment of minimum characteristics of guarantees, offered by those suppliers, would allow to the administrative authority, in matters of consumer protection, have a certain pattern, which will be the basis for determining in an objective way if the performance of the trader was appropriate.<br>Besides, this would permit those products with its corresponding certification, provide a value added, which would benefit the participation suppliers in the market.<br>Finally, if formal suppliers take an international standard or guidance, and a campaign exists to promote those practices in the market, also consumers will benefit with better products. This situation could decrease the sales of the informal suppliers. |
| ASRO (Romania)        | Yes | The necessity relays on the fact that is an obvious advantage to have the same rules worldwide.  |
| SPRING SG (Singapore) | Yes | It will definitely help us to advocate for a change in the current legislation.  |

|                     |     |  |
|---------------------|-----|--|
| SABS (South Africa) | Yes | There will be consistency in the products and services.  |
| SNV (Switzerland)   | P   | Cf. problems identified in 3b  |
| INNORPI (Tunisia)   | Yes | Being able to have international standards (6500) or guarantee guides for certain products could facilitate resolving conflicts, especially for imported products.       |
| UNBS (Uganda)       | Yes | The standard will form a framework to start addressing the challenges of warranties; It will also assist in clarifying those areas of the law that may seem to be broad. |
| BSI (UK)            | No  | See UK government websites e.g. BERR & DEFRA.  |
| ANSI (USA)          | No  |  |
| YSMO (Yemen)        | P   |  |

**Comments from ANSI (USA):**

Government Stakeholder

We question whether such a standard would encroach into the business transactions between a buyer and a seller.

We have considered the Egyptian proposal presented as an example and there is concern that the Egyptian standard may not be a good model to advance within COPOLCO.

As always, there are challenges in developing a standard that applies to all products. Even though this effort is focused on consumer products, there is a wide variety of products that fall in this category. In the Egyptian standard, there are several references to repair and replacement of the product that may not make sense if you are talking about a hair dryer versus clothes dryer.

Also, the standard places burdens on the producer in terms of covering the cost of transportation of the product for service and replacement that cannot be applied universally to all consumer products. For example: in clause 2. “. . . Without the purchaser pays any costs due to these works” as well as the language in clauses 3.7, 3.12 and 3.16.

Consumer stakeholder

In general, I think a standard for guarantees/warranties is important.

I believe in the US we use the term Warranty so I think the term used should be clarified or consistent.

Regarding clause 3-5 of the Egyptian standard, does this only apply to a certain category of product? If this requires that the seller sign every warranty certificate, I think this would be unrealistic in that many products are purchased off the shelf in stores like Walmart.

Some warranties have mail in registration cards. Is that the follow-up card mentioned in clause 4-6 and is this required for the guarantee to be effective?

Industry stakeholder

Given the significant differences in cultures, it is not clear to me that we could produce something that was worthwhile beyond, perhaps, a terminology standard. The attached sample from Egypt would be in my opinion unacceptable in the U.S. because it tries to be very prescriptive. See, for example, clause 3-1.

Industry stakeholder

Given the short time available to review this issue, we have not been able to come up with fully coordinated, detailed comments among our association of 14,000 manufacturers across the United States. However, I

would describe the general attitude of our members exporting consumer products from the United States as very skeptical of the value of an International standard on guarantees and warranties. We note that the Egyptian paper speaks of a need only in developing countries. We would not want to see an IS which undercut the current practices on guarantees and warranties in the U.S. and other key markets.

#### Industry stakeholder

Regarding the Egyptian standard . . .

Clause 2. The guarantee certificate should have limitations on time, type of use or abuse, and consideration of total cost of replacement. The points made in the comments section should be considered and included in this section to expand and clarify the scope of a guarantee certificate.

Clause 3.1. The certificate should not cover the objective for which the objects are purchased, but cover the objective for which the object is designed to do. Change this clause to read: the objective for which they are designed.

Clause 3.6. Determining when the operation of a product begins is difficult to establish. Delete all after "purchasing" (Change that word to "purchase").

Clause 3.7. Sending a replacement item places burdens on both the builder and return of the item on the purchaser. This is too large a burden for both. Delete the last sentence.

Clause 3.10. This item should not cover a product wearing out from general usage. Add: or general usage.

Clause 3.14. Advertising in newspapers and on television is impractical. Delete all after "periodically".

Clause 3.16. This clause does not take into account general usage and should be deleted.

As a general comment, Directives 1999/44/EC and 2001/95/EC already cover the tenets of this proposal and have been in place for almost 10 years. To avoid conflicts with already established Directives in consumer goods and general product safety, this proposal should be rejected in toto.

#### **Question 5 – Are you able to supply copies (in English) of relevant regulation, laws, guidance, standards or similar document, either with your response or separately?**

If yes, please list what you can send below:

| <b>NSB (country)</b> | <b>Response</b>  |
|----------------------|--|
| DS (Denmark)         | The Danish Sale of Goods Act and the Danish Marketing Practices Act are available upon request.  |
| EOS (Egypt)          | The Egyptian Standard "General requirements for warranties".   |
| AFNOR (France)       | Index of French regulation on the subject available upon request.  |
| GSB (Ghana)          | Sale of Goods Act, 1962 (Act 137) and Hire Purchase Decree, 1972 (NRCD 292)  |
| BIS (India)          | The law that covers warranties is inside the Consumers protection Act 1986 copy of which can be accessed on the web.   |
| BSN (Indonesia)      | Only some documents.   |
| LST (Lithuania)      | Civil Code of the Republic of Lithuania<br><a href="http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=245495">http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=245495</a><br><br>Law on Consumer Protection of the Republic of Lithuania<br><a href="http://www3.lrs.lt/pls/inter3/dokpaieska.susije_l?p_id=291519&amp;p_rys_id=14">http://www3.lrs.lt/pls/inter3/dokpaieska.susije_l?p_id=291519&amp;p_rys_id=14</a> |
| DGN (Mexico)         | You can consult the English version of the Federal Consumer Protection Law in the following link:<br><a href="http://www.profeco.gob.mx/juridico/pdf/l_ifpc_06062006_ingles.pdf">http://www.profeco.gob.mx/juridico/pdf/l_ifpc_06062006_ingles.pdf</a>   |
| SN (Norway)          | See question 1b where an excerpt of the Norwegian Marketing Act regarding guarantees   |

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|                       | is copied.   |
| NEN (Netherlands)     | European Directive 1999/44/EG                                      |
| PSQCA (Pakistan)      | The Punjab Consumer Protection Act-2005 is available upon request. |
| SPRING SG (Singapore) | Consumer Protection (Fair Trading) Act.<br>Sale of goods act.      |
| UNBS (Uganda)         | Sales of Goods Act, Cap 82 (available upon request).               |
| BSI (UK)              | See the link given in the ANEC/BEUC response.                      |

If no, please outline briefly the scope of such laws, regulation, guidance, and/or standards, if possible, below:

| NSB (country)   | Response   |
|-----------------|--|
| IRAM Argentina) | <p>Consumer Law, number 24240:</p> <p>The consumer and subsequent purchasers will have legal guarantee for defects or vices of any kind valid for three (3) months or six (6) months depending of the characteristics of the good in other cases after delivery, the parties can agree a longer period. Manufacturers, importers and sellers should ensure an adequate service and supply parts and spares and they are jointly responsible for granting and enforcing the legal guarantee. The guarantee certificate shall be in written language, with easy to understand language in terms, and include at least:</p> <ol style="list-style-type: none"> <li>The identification of the seller, manufacturer, importer or distributor;</li> <li>The identification of the thing with the technical specifications necessary for proper identification;</li> <li>The terms of use, installation and maintenance necessary for its operation;</li> <li>The conditions of validity of the warranty period and its extension;</li> <li>The terms of repairing the thing with specification of the location will be effective.</li> </ol> <p>When the thing had been repaired under the terms of a legal guarantee, the guarantor is obligated to deliver to consumers a repair record showing:</p> <ol style="list-style-type: none"> <li>The nature of repair;</li> <li>parts replaced or repaired;</li> <li>The date on which the consumer him with the thing;</li> <li>The date of return of the thing for consumers.</li> </ol> <p>The time during which the consumer is deprived of the use of the property for any cause related to repair, must be factored as an extension of the period of guarantee.</p> <p>In cases where repair is not successfully completed, consumers can:</p> <ol style="list-style-type: none"> <li>To request the replacement of the thing acquired by another of identical characteristics. In this case, the period of guarantee is calculated from the date of delivery of the new thing;</li> <li>return the thing in the state that is in exchange for receiving the amount equivalent to the amounts paid under the current price of the thing in place, when the amount paid or proportion, if any payments made;</li> <li>Get off a proportion of the price. In all cases, the option for the consumer does not claim any damages that may correspond.</li> </ol> <p>SERVICES Service providers of all kinds are bound by the terms, timing, conditions, reservations and other circumstances, under which they were offered, advertised or agreed. In service contracts which seek to make the repair, maintenance, upgrading, cleaning or any other similar means implied the obligation of the service provider employ new materials or products or appropriate to the thing in question, unless otherwise agreed in writing. The provider must issue a budget that contains at least the following information:</p> <ol style="list-style-type: none"> <li>Name, address and other identifying information of the service provider;</li> <li>The description of work to do;</li> <li>A detailed description of the materials used.</li> <li>The prices and labor;</li> <li>The time when work is done;</li> <li>Whether or not granted warranty and where the scope and duration;</li> <li>The period for acceptance of the budget;</li> </ol> |

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|                            | <p>h) The registration number in the Revenue and in the system.<br/>The guarantee on a contract of service shall be documented in writing to the effect:</p> <p>a) Proper identification of the work;<br/>b) The duration of the guarantee, the date of beginning of that period and the conditions of validity;<br/>c) Proper identification of the person, company or organization.</p>   |
| SARM (Armenia)             | The law on Consumer Protection regulates relations between consumer and producer (provider/seller), defines the rights of consumers to get: 1. Decent quality product (service) which will not be dangerous for consumer life and health 2. Information about product (service) and its producer (provider): It also defines the state and public protection rights of consumer interests, and the mechanisms to gain it.   |
| BAS (Bosnia & Herzegovina) | <p>Articles 25, 26, and 27 of the law: Product or service guarantee</p> <p>Article 25<br/>The vendor is responsible for defects goods that exist at the time of transfer risk to consumer, regardless whether he is aware of this fact in accordance with legal provisions which regulate the obligations in Bosnia and Herzegovina.</p> <p>Article 26<br/>For complex technical products manufacturer or supplier is obliged to determine, and in technical guidelines specify the deadline of insured service and supply the market with spare parts, accessories and other products, without which the product can not be used in its anticipated purpose (hereinafter: the spare parts).<br/>Deadline, referred to in paragraph (1) of this Article, shall not be shorter than three years for household appliances or five years for other complex technical products, unless regulation, adopted on the basis of this law does not specify otherwise.<br/>After termination of product manufacturing, the manufacturer or supplier is obliged to ensure procurement of spare parts in order to maintain products, where deadline for complex technical products can not be shorter than ten years.<br/>If the manufacturer or supplier does not own private service in Bosnia and Herzegovina, he is also obliged to ensure complex technical products with the list of legal and natural persons (services) which he authorized to provide services in Bosnia and Herzegovina.</p> <p>Article 27<br/>Manufacturer or supplier is obliged to regularly provide necessary type and quantity of spare parts to authorized services and the market.<br/>Authorized service consider to be the one who has valid manufacturer warranty which can service products and has signed a contract for the procurement of spare parts.</p> |
| BIS (India)                | The sale of a product which is defective gives the consumer a right to get compensation or seek repair of the product. Also giving a warranty and not honouring it is an unfair trade practice which a consumer can enforce in a consumer court.  |
| BSN (Indonesia)            | Especially on consumer protection.  |
| ISIRI (Iran)               | This can be possible by creating the joint working group of private and public sectors cooperation, coordinating by ISIRI. Now we have some executive regulations and guidance in governmental levels which are based on governmental laws that are developed or are under development.   |
| SII (Israel)               | <ul style="list-style-type: none"> <li>- Responsibility to supply the intended product and its function ability</li> <li>- Duty to full and proper disclosure of all relevant information.</li> <li>- Duty to adjust product to all formal standards.</li> <li>- Optional Informal standards</li> <li>- Liability to body – damages on certain products.</li> <li>- Standard form of guaranty certificate</li> </ul>  |
| JISC (Japan)               | <ul style="list-style-type: none"> <li>- The Housing Quality Assurance Act requires the responsibility for free repair to the vendors during 10 years from the completion of new homes.</li> <li>- The Consumer Contract Act declares the clauses in the contract that require an exemption of warranties or liability for damages for consumers void.</li> <li>- Fair competition rules and enforcement regulations on labeling in home electric appliances specifies some items such specifications, performances or features as to be labelled on products and specifies how to labelling when the warranties are issued. It applies to the manufacturers, vendors and agents. The scope of the rules excludes built-in appliances, appliances used in automobiles and manufactured for industrial use.</li> </ul>   |

|                     |   |
|---------------------|---|
| KATS (Korea)        | <p>- Consumer Protection Act:<br/>The purpose of this Act is to provide for the duties of the State, local governments and enterprisers and the roles of consumers and consumer organizations in order to protect the fundamental rights and interests of consumers, and also to provide for basic matters necessary for facilitating comprehensively the policy for protection of consumers, and to accomplish thereby the improvement and rationalization of their daily lives as consumers.</p> <p>- Product Liability Act<br/>The purpose of this Act is to protect consumers against damage caused by defective products, and contribute to the safety of the citizen's life and the sound development of the national economy by regulating the liability of manufacturers, etc. for damages caused by the defectiveness of their products.</p> <p>- Monopoly Regulation and Fair Trade Act<br/>The purpose of this Act is to promote fair and free competition, to encourage thereby creative enterprising activities, to protect consumers and to strive for balanced development of the national economy, by preventing any abuse of market-dominating positions by enterprisers and any excessive concentration of economic power, and by regulating undue collaborative acts and unfair trade practices.</p> <p>- Quality Management and Safety Control of Industrial Products Act<br/>The purpose of this Act is to provide for matters concerning the creation and support of the quality management in corporations, public institutions and organizations, etc. and matters concerning the secure management of industrial products with the aim of bolstering the quality competitiveness of corporations, public institutions and organizations, etc. and of boosting the interests and safety of consumers.</p> |
| NSI (Namibia)       | The available law is the unwritten common law based on various juridical rulings handled from generation to generation.   |
| INDECOPI (Peru)     | <p>The Consumer Protection Law – (Legislative Decree n° 716)<br/>Article n°8 "The suppliers are responsible, besides, by the suitability and quality of the products and services; by the authenticity of the marks and legends that exhibit the products; by the truth of the commercial publicity of the products; and by the content and the useful life of the product indicated in the container, in which it corresponds."<br/>Resolution n° 085-96-TDC of November 13, 1996, the following precedent of obligatory observance was established.<br/>"a) According to the established in the first part of the article 8 of the Legislative Decree n°716, is presumed that every supplier offers as an implicit warranty, that the good or service matter of the commercial transaction with the consumer is suitable for the purposes and predictable uses for the ones that normally these are acquired in the market, according to what would expect a reasonable consumer, considering the conditions in which the products were acquired or the services hired, what understands the time limit of reasonably foreseeable duration of the goods sold. Nevertheless, if the conditions and terms put in knowledge of the consumer or that had been knowable using the ordinary diligence on the part of this one, contents in the documents, containers, bills, receipts, guarantees or other instruments through which informs the consumer they exclude or limit in an explicit way the reaches of the implicit warranty, these exclusions or limitations will be opposable to the consumers.</p>  |
| SABS (South Africa) | The Consumer Protection Bill.   |
| SNV (Switzerland)   | Cf. answer to question 1b   |
| INNORPI (Tunisia)   | The main reference in matter of legal guarantee of products and services marketed on the local market, including imported products and services, is the law n° 117, dated December 7 <sup>th</sup> 1992 on consumer protection (published in the Official Journal of the Tunisian Republic n°83, December 15 <sup>th</sup> 1992 in Arabic (as official language) and French (as translation).   |
| YSMO (Yemen)        | <ul style="list-style-type: none"> <li>- Consumer rights</li> <li>- Obligations of providers and advertisers</li> <li>- Consumer protection associations</li> <li>- The supreme committee for consumer protection</li> <li>- Procedures for investigation and control</li> <li>- Penalties.</li> </ul>  |

## Annex from India

### (A) Generic Problems Related to Goods

1. The warranty /guarantee card do not specify the addresses of service centre.
2. No benchmark specified on the product downtime. Many a time it is noticed that even the product remains in the service workshop for couple of months. The warranty time in India for most of the product is one year and the equipment sent to service centre for three four times, the customer uses the equipment for few months. There is no system which could penalize the manufacturer that if the equipment comes to service centre with certain number of time, the equipment would be replaced. If the heavy equipment needs to be a transported, the customers is asked to bear the shipment charges thus the customer gets penalized for the defective / under- quality products supplied by the manufacturer/ trader. There is no clause with respect to DOA products. The products which are DOA are repaired instead of replacement.
3. No procedure defined for escalation of complaints to higher level in to.
4. Non- availability of spare parts during warranty period. Product getting obsolete and then customer is asked to pay the price for upgraded Product.
5. Warranty not being provided when the customer is shifting his premises.

### (B) Problem Related to Goods Purchased Online or from other Jurisdiction.

The products purchased on –line or bought across jurisdiction are generally under- quality products and no clause is specified that if the product does not meet quality standards/ or found defective on arrival, would be replaced free of cost at the expense of shipper.

International standards or guidance document would be helpful in adhering to international trade practices, better quality products, manufactures-traders accountability to wards non-performance in accordance with claims.

### (C) Common Problem Related to Products Warranties and After Sales Service

- PRODUCT – Delay in after Sales Service.
- PRODUCT – Not Providing after Sales Service.
- PRODUCT – Not Repaired in under warranty.
- PRODUCT – Not replacing under guarantee Period.
- PRODUCT – Not replacing Product with Manufacturing Defect.
- PRODUCT – Charging for repair in Guarantee- Warrantee period.
- PRODUCT – Asking to pay under warranty period.
- PRODUCT – Dealer charging more money for repair.
- PRODUCT – Same problem persist after repair.
- PRODUCT – Unsatisfactory Redressal.
- PRODUCT – Nobody is responding for money back scheme.
- PRODUCT – Dealer’s Misbehaviour.
- PRODUCT – Dealer not entertaining.
- PRODUCT – Service centre is not entertaining.
- PRODUCT – High Officials not entertaining.
- PRODUCT – Precaution to be taken while purchasing.
- PRODUCT – After Sales service not provided.
- PRODUCT – Defective Product.
- PRODUCT – Late Delivery in Exchange Offer.
- PRODUCT – OTHERS

PRODUCT – GENERAL INQUIRY

(D) **Common Problem Related to Product Warranties and After Sales Service Product Category Wise**

**Television**

- Delay in After Sales Service.
- Not providing After Sales Service
- Not repaired under warranty.
- Not replacing under guarantee period.
- Not replacing Products with Manufacturing Defect
- Same problem persist after repair.
- Unsatisfactory Redressal.
- Dealer not entertaining.
- Service Center is not entertaining.
- Dealer's Misbehavior.
- After sale service not provided
- Under warranty still Dealer asking for amount to get repaired
- Once repaired but again same problem persists
- Require more money for providing after sale service
- No after sale service in AMC

**Refrigerator**

- Not repaired under warranty
- Manufacturing defect still not ready to replace
- Dealer misbehaving
- Under warranty still Dealer asking for amount to get repaired
- Manufacturing defect still not ready to replace
- Service center not entertaining
- Once repaired but again same problem persists

**Mobile**

- Not replacing
- Service center not responding
- Dealer misbehaving
- Not repaired under warranty
- Manufacturing defect still not ready to replace
- Service center not entertaining
- High officials not entertaining
- Dealer not entertaining
- Once repaired but again same problem persists
- Customer care/ service centre not responding properly
- Under warranty still Dealer asking for amount to get repaired

**Air Conditioner**

- Under warranty still Dealer asking for amount to get repaired
- Dealer not entertaining
- Once repaired but again same problem persists
- Require more money for providing after sale



- Unsatisfactory redressal
- Not repaired under warranty
- Under warranty still Dealer asking for amount to get repaired
- Service center not entertaining
- Dealer not entertaining

### **Washing Machine**

- Not repairing under warranty period
- Delay in after sale service After sale service not provided
- Dealer not entertaining
- Once repaired but again same problem persists
- Require more money for providing after sale service

### **Water Purifier**

- Not repaired under warranty
- Under warranty still Dealer asking for amount to get repaired
- Manufacturing defect still not ready to replace
- Service center not entertaining
- Unsatisfactory redressal

### **Automobiles**

- Dealer is not Responding.
- Company is not Responding.
- Delay in Services.
- Charging for Insured Part
- Mileage not given as per commitment.
- Dealer not providing Guarantee/ Warranty Card.
- Charging in Guarantee/ Warranty period for Manufacturing Defect.
- Ignoring / not providing service during Guarantee/ Warranty period
- Misbehavior by Dealer / Company.

**Format of the External Examiner's CV**  
**(Please do not exceed 3 pages)**

**CURRICULUM VITAE**

1. Name: **ASSOCIATE PROFESSOR DR. RAHMAH ISMAIL**
2. Date of Birth and I. C. No./Passport: 24 NOV. 1961 (611124-71-5124)
3. Work Address: FACULTY OF LAW, UNIVERSITI KEBANGSAAN MALAYSIA, 43600 UKM BANGI, SELANGOR  
  
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E-mail Address: irahmah@ukm.edu.my
4. Academic Qualifications: LLB, LLM, Ph.D
5. Brief Career History: HAS BEEN A LECTURER SINCE 1988
6. Field(s) of Specialization: CONSUMER LAW
7. Posts held  
  
Deputy Dean 2007-2009
8. Membership at the National Committee
  - a. A member of Bar Council Disciplinary Committee
  - b. A member of Policy Review Committee, Ministry of Domestic Affairs, Cooperatives and Consumerism.
9. List of Research

| <b>NO.</b> | <b>RESEARCH TITLE</b>   | <b>ROLE</b>          | <b>STATUS</b> |
|------------|---|----------------------|---------------|
| 1.         | Undang-undang Perlindungan Pengguna Asia Tenggara: Ke arah Kewujudan Platform Serantau ( <i>Consumer Protection Law in South East Asia : Towards Establishing Regional Platform</i> ) | Principal Researcher | Completed     |
| 2.         | A Review of the Direct Sales Act 1993   | Principal Researcher | Completed     |
| 3.         | Kerangka Institusi untuk Perlindungan Pengguna di Malaysia ( <i>Institutional Framework for Consumer Protection in Malaysia</i> )   | Principal Researcher | Completed     |

|    |  |               |           |
|----|--|---------------|-----------|
| 4. | A Review of the Consumer Protection Act 1999   | Co-Researcher | Completed |
| 5. | Sosiologi Undang-undang : Perundangan Pemacu Keadilan Sosial Pengguna (Sociology of Law : Achieving Consumer Social Justice through Laws)  | Co-Researcher | Completed |
| 6. | A Malaysian Based ASEANGUICHET: One Stop Consumer Product Information Centre   | Co-Researcher | On-going  |
| 7. | Model Penyelesaian Pertikaian Pengguna Rentas Sempadan dalam Talian Bagi ASEAN : Cetakan Biru Malaysia ( <i>The ASEAN Cross Border Consumer Online Dispute Resolution Model : The Malaysian Blue Print</i> ) | Co-Researcher | On-going  |

10. Number of Postgraduate Students Supervised:

| Program | Status    | As a Principal Supervisor | As a Co-Supervisor |
|---------|-----------|---------------------------|--------------------|
| PhD     | Graduated | 3                         | 1                  |
|         | Ongoing   | 4                         | 1                  |

11. Number of Publications

| Publication      | Quantity |
|------------------|----------|
| Journal          | 20       |
| Book             | 2        |
| Chapter in Books | 4        |

12. List 10 Significant **Journal Publications** (Latest):

- a. Fahirah Syaliza Mokhtar, **Rahmah Ismail** & Anisah Che Ngah. 2015. Invoking learned intermediary rule in Malaysia. *Mediterranean Journal of Social Science*.
- b. Fahirah Syaliza Mokhtar & **Rahmah Ismail**. 2013. Medicinal product liability under the Consumer Protection Act 1999 : Aims unmet. *The Social Sciences*.
- c. **Rahmah Ismail**, Sakina Shaik Ahmad Yusoff, Shamsuddin Suhor, Shamsuddin Suhor, Azimin Abdul Aziz, Muhammad Rizal Razman & Kartini Aboo Talib. 2012. Consumer right to safe product : The application of strict criminal liability in product safety legislations in Malaysia. *Pertanika Journal of Social Sciences & Humanities*.
- d. **Rahmah Ismail**, Sakina Shaik Ahmad Yusoff, Shamsuddin Suhor, Azimon Abdul Aziz, Muhammad Rizal Razman & Kartini Aboo Talib. 2012. A comparative study on the consumer protection legislations of Malaysia and Thailand. *The Social Sciences*.
- e. Sakina Shaik Ahmad Yusoff, Azimon Abdul Aziz, **Rahmah Ismail**, Shamsuddin Suhor, Muhammad Rizal Razman, & Kartini Aboo Talib @ Khalid. 2011.

Legislative control of exclusion clause in selected common law countries. *Malaysian Journal of Consumer and Family Economics*.

- f. Muhammad Rizal Razman, Sakina Shaik Ahmad Yusoff, Shamsudliin Suhor, **Rahmah Ismail**, Azimon Abdul Aziz & Kartini Aboo Talib @ Khalid. 2011. Regulatory framework for land-use and consumer protection on inland water resources towards sustainable development. *International Business Management*.
- g. Sakina Shaik Ahmad Yusoff, **Rahmah Ismail**, Shamsuddin Suhor, Azimon Abdul Aziz, Muhammad Rizal Razman & Kartini Aboo Talib @ Khalid. 2011. A comparative study on consumer protection legislations of Malaysia and Indonesia. *International Business Management*.
- h. Muhammad Rizal Razman, Sakina Shaik Ahmad Yusoff, Shamsudliin Suhor, **Rahmah Ismail**, Azimon Abdul Aziz & Kartini Aboo Talib @ Khalid. 2011. Environmental Quality Act and consumer protection on inland water resources towards sustainability. *Research Journal of Applied Sciences*.
- i. Sakina Shaik Ahmad Yusoff, **Rahmah Ismail**, Shamsuddin Suhor, Azimon Abdul Aziz, Muhammad Rizal Razman, & Kartini Aboo Talib @ Khalid. 2011. Remedi pengguna di bawah undang-undang jualan barang. *Malaysian Consumer Law Journal*.
- j. **Rahmah Ismail** & Syed Alsagoff. 2010. Product safety in Asean: A comparative study of Malaysia, Thailand, Indonesia, Singapore and Philippines under the consumer protection legislations. *Quarterly Law Review*.