

What Rights do Service Providers have under the Consumer Guarantees Act?

Recently a consumer was unhappy about the quality of painting services they received, and made a claim in the Disputes Tribunal. The first time the painter heard about this was when he received notice of a Disputes Tribunal hearing.



The painter was shocked that things had gone this far before he caught wind of the consumer's dissatisfaction. The painter says he would have been more than willing to remedy any issues with the paint work, or to come to some other mutually agreeable arrangement.

The painter asked - what rights do I have to try to remedy any issues before an adverse decision is made against me in the Disputes Tribunal?

Most people realise that the Consumer Guarantees Act (often called the CGA) aims to protect the interests of consumers who acquire goods or services from a person in trade (or business).

What is less well understood by the general public is that the CGA also aims to protect those who provide services. Specifically, the purpose of the CGA is also to "contribute to a trading environment in which [...] businesses compete effectively; and [...] participate confidently".

Where the CGA applies, service providers are automatically required to guarantee that the services will be supplied with reasonable skill and care; be fit for a particular purpose; be completed within a reasonable timeframe (if there is no agreement about timeframe); and be carried out at a reasonable price (if there is no agreement about the price).



Where one of these guarantees are not met, the consumer has a range of options available. Often, the easiest and most cost effective method of fixing a defect is to approach the supplier directly. Most suppliers are eager to fix a defect if it is brought to their attention because it is in their best interest to keep their customers happy.

1. If the defect is one which can be fixed, then the consumer must give the service provider a reasonable amount of time to fix it. The supplier must do so at no extra cost to the consumer.
2. Only if a service provider has refused, neglected, or been unable to fix the fault within a reasonable time, may the consumer choose to have the defect fixed by someone else at the expense of the original service provider (as long as that expense is reasonable). The consumer may also cancel the contract for service.
3. If a defect is substantial or cannot be remedied, the consumer may cancel the contract for supply of services or claim compensation for the reduced value of the services provided.
4. In some instances consumers may be entitled to compensation for the consequential losses which are reasonably foreseeable from the supplier's failure to provide services which meet the guarantees. This is over and above compensation for the reduction in value.

The best way for service providers to prevent issues from blowing up is to ensure their clients know that they are eager to hear from them about any issues, and that they are willing to promptly address their clients' concerns. The supplier should inform their clients they are required to fix the defect in a reasonable amount of time, and only if the supplier does not do so, should a consumer consider taking further action.

Article supplied by Rainey Collins Lawyers