

Furniture removalists

An industry guide to understanding the Australian Consumer Law

As a furniture removalist you have obligations under the Australian Consumer Law (ACL). This factsheet will help you to understand how the ACL applies to your business.

Consumer guarantees

When providing services you must meet consumer guarantees. This means your services must:

- Be delivered using due care and skill.
- Be reasonably fit for any purpose specified by the consumer.
- If no time is agreed, be provided within a reasonable time.

If a consumer guarantee is not met, the consumer is entitled to a remedy such as a refund or having the problem fixed. Even if you outsource the work to another business, the consumer can seek a remedy from you, as their contract (either verbal or written) is with *you* and not the third party. The type of remedy you must provide will depend on the nature of the failure.

Major failure

If there is a major failure, under the ACL the consumer is entitled to cancel the contract and get a refund for the parts of the service not already consumed. Alternatively, the consumer can keep the contract and get compensation for the difference in value between the service delivered and what they paid for. The consumer gets to choose the remedy, not you.

A major failure is when a reasonable consumer would not have acquired services if they had known the nature and extent of the problem; or the services are substantially unfit for their purpose in a way that cannot be fixed by you within a reasonable time; or the supply of the services creates an unsafe situation.

The following examples would be considered a major failure:

- You do not turn up on the moving date or agree on an alternative date.
- The consumer gave a reasonable indication of the volume of furniture and items to be moved, but the removal truck sent on moving day was not big enough and you refused to send a replacement truck.
- The customer asked for their items to be delivered and also unpacked, but you refuse to unpack on moving day.

Minor failure

If a minor failure occurs, the consumer cannot cancel the contract and demand a refund immediately. They must give you an opportunity to fix the problem within a reasonable time and free of charge. If you refuse or take too long to fix the problem, the consumer can get someone else to fix it and recover all reasonable costs from you, or they may then cancel the contract and get a refund for the parts of the service not already consumed.



Services not covered by consumer guarantees

Services not covered by consumer guarantees include:

- transportation or storage of goods for the purposes of a business trade, profession or occupation carried on or engaged in by the person for whom the goods are transported or stored
- services supplied under a contract of insurance.

Avoiding unfair contract terms

The ACL protects consumers and small businesses from unfair contract terms. A term may be unfair if it:

- allows one party, but not the other, to change the contract
- penalises one party, but not the other, for breaching or cancelling the contract
- changes the initial price without giving the consumer the option to cancel the contract
- allows one party, but not the other, to vary the characteristics of the services to be supplied.

These protections do not apply in respect of contracts between businesses that each employ 20 or more persons, or where the upfront price payable is greater than \$300,000 (or \$1,000,000 where the contract has a duration of more than 12 months).

Review your contracts to make sure there aren't any unfair terms.

Misleading representations

You must not make false or misleading representations about your business. For example:

- False information about the standard or quality of your service
- Misleading information about the price
- Over-claiming for the time it really takes to travel between two locations
- Fake testimonials
- Misleading consumers about their right to a remedy under consumer guarantees.

Make sure the information you provide to customers and potential customers is correct, regardless of whether that information is provided verbally, on your website, in promotional brochures, via your social media accounts, or any other format.

Tips to prevent problems

- Ensure you understand what the consumer needs and wants so you don't underquote and can provide the appropriate service.
- It is a good idea to provide quotes in writing, to ensure both you and the consumer agree to the same service.
- Make sure that all removalist staff have the correct skill and knowledge to undertake a removal job, to help avoid any items being damaged.
- Explain any issues or potential changes to travel time with your customer.

By understanding your obligations under the ACL, and dealing fairly with your customers, you are more likely to receive positive reviews and recommendations from your customers.



Resolving consumer complaints

It's important to have an effective consumer complaints policy for your business, so that if an issue arises it can be dealt with appropriately. Make it clear to consumers how they raise any concerns about your business. Try to respond to complaints quickly and fairly.

Businesses, including removalists, as well as consumers can contact Consumer and Business Services (CBS) for advice about their rights and responsibilities under the ACL in the event of a dispute.

Penalties

Businesses found to be in breach of the ACL risk a penalty of \$1.1m for a company or \$220,000 for an individual, for offences such as false or misleading representations.

Additional information

For more information about your responsibilities under the Australian Consumer Law visit SA.GOV.AU. For further advice call CBS on 131 882.

