Consumer Guarantees Act 1993

As it applies to used vehicles sold through Turners Group NZ Limited

From June 2014, the Consumer Guarantees Act 1993 (CGA) applies to goods sold at auction, including new and used motor vehicles. As has always been the case, the CGA will not apply to Turners where it simply acts as an auctioneer. However, the CGA may now apply to vendors in certain sales and may apply to Turners where it acts as a vendor.

Under the CGA, where a vendor who is "in trade" and sells goods of a kind ordinarily acquired for personal or domestic use to a consumer, those goods must meet certain standards including standards relating to quality, fitness for purpose and durability (among other things). These standards are assessed by what a "reasonable consumer" would expect, having regard to a range of factors including:

- the nature and age of the goods,
- the price of the goods,
- statements made about the goods,
- the nature of the vendor and the context in which the vendor supplies the goods.

There are a few things you ought to consider when you buy a used vehicle through Turners:

- Turners strongly recommend that you carry out your own "due diligence" on the condition and quality of a vehicle before you buy it, regardless of whether the CGA applies. Buying a car is a significant investment and it is common sense that the best way to avoid problems is for you to make use of the facilities available (whether through Turners or externally) to be as well informed about the vehicle as possible.

- When considering whether a vehicle meets the standards required under the CGA, you, as a "reasonable consumer" will apply common sense and consider the price you are looking to pay for the vehicle, the vehicle's age, the distance the vehicle has travelled, its overall condition, disclosed faults, any statements made about the vehicle before the sale, and the type of auction or sale.

- Turners has sales and auctions for goods that are "Damaged" or "End of Life", and we also sell repossessed vehicles, and have liquidation and fire sales. Goods in these types of sales are generally not at their best, as you would expect. You might find a bargain in one of these sales, but these are generally sold like this for a reason. While the CGA may still apply, it will be applied taking into account the nature of this type of sale and the effect this will have on "reasonable expectations".

- The CGA is not the same as a "mechanical warranty". It will not cover normal wear and tear. Motor vehicles contain many wearing components that commonly require replacement from time to time including batteries, bulbs, electrical components, engine sensors, brakes, clutches, suspension bushes, joints and tyres. You should expect these components to be in a condition that reflects the actual condition of a used vehicle. You should expect that these components may need to be replaced, sometimes even shortly after purchase.

- The specific operation (both pre sale and post sale) of all ancillary features and extras including audio, TV, GPS, alarms, remote locking and keys, electric windows, air conditioning, and all "after market" items are to be considered in the same way as the vehicle itself in respect to age, usage, price paid, statements made and your expectations as a "reasonable consumer".

- Where Turners is the auctioneer and is not the vendor, any recourse you may have under the CGA lies against the vendor and should be raised with the vendor directly. Turners will let you know the details of your vendor if you need us to.

There is a lot of information available about your rights as a consumer and we encourage you to explore these. If you have questions about the applicability or the extent of CGA guarantees to motor vehicle sales, we encourage you to seek legal advice in advance of purchasing the vehicle. Nothing in this notice is intended to exclude or otherwise limit Turners' obligations to you under the CGA. Turners believes consumer protection legislation is a good thing, and that being an informed and educated consumer is even better.

turners.co.nz/CGA

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