

30 March 2012

Secretariat
Commerce Select Committee
Select Committee Office
Parliament Buildings
WELLINGTON 6011

To the Commerce Select Committee

SUPPLEMENTARY 1 - SUBMISSION ON CONSUMER LAW REFORM BILL – PROPOSALS REGARDING EXTENDED WARRANTIES

This submission is a supplementary to the Insurance Council of New Zealand's earlier submission on the Consumer Law Reform Bill ("the Bill"), dated 29 March 2012. Our original submission focussed on proposed amendments to the Carriage of Goods Act 1979. However, this supplementary submission relates exclusively to the Bill's proposals regarding extended warranties (specifically the proposed new Section 36T under Clause 18).

Proposed Clause 18 – *New section 36T (2)(a)(i) of the Fair Trading Act 1986*

The Government proposes at Clause 18 to include a number of new sections in the Fair Trading Act 1986, relating to extended warranties. The proposed new Section 36T (2)(a)(i) of the Bill would require an extended warranty provider to include, in the extended warranty agreement, a summary of the consumer's rights under the Consumer Guarantees Act 1993.

We support the general intent of this proposed new Section 36T (2)(a)(i), because it would ensure consumers have better awareness of their rights. However, we suggest the Ministry of Consumer Affairs should prescribe a notice that all extended warranty providers should have to use. That way, extended warranty providers would not have to interpret the Consumer Guarantees Act 1993 and the same message would be given by all extended warranty providers, which we believe is critical to providing a level playing field.

Summary

Thank you for the opportunity to provide input on the proposed amendments to the Bill. The proposals are of significant interest to our members. Accordingly, we would be happy to appear before the Select Committee to speak to our submission.

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Yours sincerely



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