



Iceland

# COMMERCIAL WARRANTIES

*Check List  
for consumers*



**Commercial  
warranties, are  
they worth the  
money?**



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Help and advice  
for consumers  
in Europe



# Iceland



When you purchase an item, it is not unusual for the seller to propose a commercial warranty (sometimes also called an extension of the legal guarantee). They have become important selling points especially for household appliances and electronic goods. If you have spent quite a lot of money on your purchase, you might be tempted by this kind of service. Commercial warranties vary between countries. In some countries it is more common for them to be offered against payment than in others. In some they can only be offered free of charge. But if you have to pay for them, are they worth the money? Are they really better than the protection already offered by law in the European Union, Iceland and Norway?

***BEFORE SIGNING UP, THE ECC-NET INVITES YOU TO ASK YOURSELF THESE QUESTIONS!***

**Do you know that every consumer has a legal right to complain if an item he/she purchases turns out to be defective?**

**Every commercial warranty should provide additional benefits to those mentioned above, but the provider is free to fix the conditions.**

Therefore, before accepting an offer for a commercial warranty, as a minimum you should check the following:

You have a legal right to receive a product which conforms to the description given by the seller, which has the characteristics you might reasonably expect it to have and which is fit for purpose. **This legal guarantee has a duration of 2 years from the date of purchase or delivery and 5 years for goods with a longer expected lifespan.**

Particularly beneficial to consumers is the fact that all defects which appear within the first 6 months are presumed to have existed on the day of purchase and the seller is liable unless he/she can prove that the defect could not have arisen through normal use of the item. Under the legal guarantee you have the right to a free repair or replacement. The solution has to be implemented within a reasonable time frame. If neither repair nor replacement is possible you can request a partial refund or, if the default is substantial, a total refund. If the defect arises more than 6 months after purchase or delivery you will have to prove that the item did not meet requirements. If the seller does not accept that the item was defective, you might have to get an independent expert to perform a technical examination of the product. For this, you may ask any repair shop. This expert opinion might not be accepted by the seller, but might be useful if putting a claim before an alternative dispute resolution service. In the case of a court procedure, the judge might accept it, but it is more likely that an independent expert opinion will be needed.

If the goods are repaired or replaced, a new 2-year guarantee comes into force.

**This legal guarantee is mandatory and no seller can claim otherwise or reduce its duration!**



## Check list for consumers

Commercial warranties, are they worth the money?



**Do you already have warranty coverage or insurance for the item you are going to purchase?**

Did you check your home insurance?

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**Has the seller informed you about the legal guarantee to which you are entitled?**

Does the seller at least point to the general terms and conditions where a reference is made to the legal guarantee?

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**Who is offering the commercial warranty?**

The seller, the producer, a third party or an insurance company?

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**How much does the commercial warranty cost?**

If possible, compare the warranty price with how much your item is likely to be worth by the end of the warranty period.

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**What is the duration and the starting point of the commercial warranty?**

The provider is free to determine the duration of the warranty which often depends on the type of item it covers. If it covers the same period as the legal guarantee it is not necessarily any more advantageous.

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**What services are offered under the commercial warranty?**

For example, immediate refund, or no repair but automatic replacement? If it offers the exact same hierarchy of remedies as the legal guarantee, the commercial warranty might not be very advantageous, unless its duration is longer.

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Commercial warranties, are they worth the money?





**What defects and situations are covered?**

For example, does it cover accidental damage or other issues not usually covered by the legal guarantee?

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**What is excluded?**

You may find surprising exclusions which make the commercial warranty worthless. Warranties do not usually cover incorrect fitting or installation, unauthorised use, shocks to the item, wear and tear, modifications to the item, or cases where you try to repair the item yourself or have an unauthorised service repair it. Look out for other exclusions.

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**What costs are covered?**

Spare parts and labour, transport costs of the repairer, or shipping costs for returning the item? If only spare parts are covered you will have to pay for the rest. Labour costs might be far more expensive than spare parts. How much will you have to pay for shipping, technical examination of the item, etc.?

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**If you purchase cross-border, are there any geographical restrictions to coverage under the commercial warranty?**

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**How easy is it to make a claim under the commercial warranty?**

Whom do you have to contact and how? What is the time frame for notifying the seller of a defect? Do you need to send your item back? How long does repair or replacement take on average?

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**Will you be offered any assistance during repair or replacement?**

Will you be offered a courtesy replacement while you are waiting, for example?

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Commercial warranties, are they worth the money?



The seller has to inform you of the existence of the legal guarantee, the after sales service and the terms and conditions of the commercial warranty **before you are bound by contract**.

## Useful information:

If you decide to subscribe to a commercial warranty, request a written document. The seller has to provide the commercial warranty in a written document or a durable and accessible format.

Keep any advertising or brochures you have been given if their content differs from that of the warranty document. Also, once the item is delivered, keep a copy of any warranty information on the packaging. This might come in handy for proving your rights if you make a claim under the warranty.

### *When is an item faulty in the sense of the legal guarantee?*

A product is faulty if it does not comply with the given description or if it cannot be used for normal purposes or the specific purposes requested by you to the seller. The product is also faulty if it is not of normal quality and does not perform as can be reasonably expected.

### *What to do if the item is faulty?*

Assert your rights by contacting the seller in writing and within a reasonable period of noticing the defect (the deadline for contacting the seller can never be shorter than 2 months). Keep a copy of the correspondence and, if applicable, the acknowledgement of receipt.

Ask for the remedies under the legal guarantee or your commercial warranty to be implemented by a certain deadline. Be aware that the seller or repairer must provide the remedies specified under the guarantee within a reasonable time frame and without significant inconvenience to the consumer. When contacting the seller in writing it is advisable to set a deadline for implementation of a solution and inform him/her that if this deadline passes without a solution, you will cancel the contract or ask for a price reduction.

The legal guarantee has to be provided free of charge. This includes shipping costs for sending back the item. Under the commercial warranty refer to the written documentation you were given. If no time frame is indicated, fix a reasonable time limit yourself, 14 days for example.



### What to do if your claim is refused?

Send a formal letter of notice informing the seller/producer/guarantor/insurance provider that you will start proceedings if your claim is not satisfied immediately. To try to resolve matters quickly, fix a final deadline, which should be reasonable but tighter than the first one.

### What to do if the repair is only partially covered and you are asked to pay the difference?

Under the legal guarantee provisions, the seller has to provide remedies free of charge. If you have requested a repair under the commercial warranty, refer to the documentation to check which costs are covered. If, for instance, you are covered for spare parts and labour costs but you are asked to pay the labour costs, refuse and refer to the terms of your warranty.



If you cannot reach an amicable solution with a seller based in another European Union Member State, Iceland or Norway, contact your European Consumer Centre.

**You will find the full list of addresses on**

[www.europe-consommateurs.eu/en/consumer-topics/buying-of-goods-and-services/guarantees-and-warranties](http://www.europe-consommateurs.eu/en/consumer-topics/buying-of-goods-and-services/guarantees-and-warranties)

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