

Extended warranties on domestic electrical goods: retailers' obligations

Are you selling extended warranties on domestic electrical goods? If you do, you will need to comply with The Supply of Extended Warranties on Domestic Electrical Goods Order 2005. Here are some of the things you need to know.

Price comparison website

1. Consumers can compare the cost of extended warranties offered by a number of the major retailers and other providers at www.compareextendedwarranties.co.uk. This website was created following the Office of Fair Trading's acceptance of undertakings in lieu of a reference to the Competition Commission to investigate the market for extended warranties on domestic electrical goods in June 2012, pursuant to section 154 of the Enterprise Act 2002.
2. Any provider of paid-for extended warranties on domestic electrical goods can post details of their extended warranty products on www.compareextendedwarranties.co.uk. Please contact the Competition and Markets Authority at the address below for further information.

The Supply of Extended Warranties on Domestic Electrical Goods Order 2005

3. This [Order](#) confers obligations on retailers who sell extended warranties on domestic electrical goods.

When retailers provide extended warranties on domestic electrical goods

4. **In stores, advertisements, catalogues and online** retailers must state, clearly and legibly, the price and duration of one applicable warranty next to the price of the goods or range of goods. This obligation does not apply to retailers' advertisements if they have sold less than £10,000 worth (including VAT) of extended warranties in the previous business year.
5. **In stores**, retailers must make clear that the purchase of an extended warranty is optional.
6. **In stores, catalogues and online** retailers must make the following information prominently available:

- (a) what consumers' statutory rights are when buying an extended warranty and where they can get more information on these;
- (b) that extended warranties can be obtained elsewhere;
- (c) that household insurance may be relevant to the purchase of electrical goods;
- (d) that an extended warranty does not have to be purchased at the same time as the goods;
- (e) details of any cancellation and termination rights;
- (f) a statement on the financial protection that consumers have in the event that the provider of the extended warranty goes out of business; and
- (g) whether or not the extended warranty will come to an end if a claim is made.

Providing quotes to in-store customers

7. If the extended warranty costs over £20 (including VAT), retailers must provide in-store consumers with a written price quote which states prominently:
- (a) the price and duration of the extended warranty;
 - (b) that the quoted price holds for at least 30 days;
 - (c) that extended warranties may be available elsewhere;
 - (d) that the extended warranty does not have to be bought at the same time as the goods;
 - (e) consumers' cancellation and termination rights (see below); and
 - (f) whether or not the extended warranty will come to an end if a claim is made.

When an extended warranty lasts over a year

8. Consumers can:
- (a) cancel it within 45 days of buying it and get a full refund where no claims have been made;

- (b) obtain a pro rata refund if they want to cancel the extended warranty after 45 days, even if a claim has been made.
9. When extended warranties over a year long cost over £20 (including VAT), retailers must notify consumers of their cancellation rights in writing, no more than 24 days after they bought the warranty.
10. Different cancellation and termination rights apply to extended warranties that are distance contracts to which European Directive 2002/65/EC applies.

Further information

11. The advice provided above is intended only as a guide to the key rights and obligations relating to extended warranties on domestic electrical goods. It is not a substitute for the [Order](#).

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