



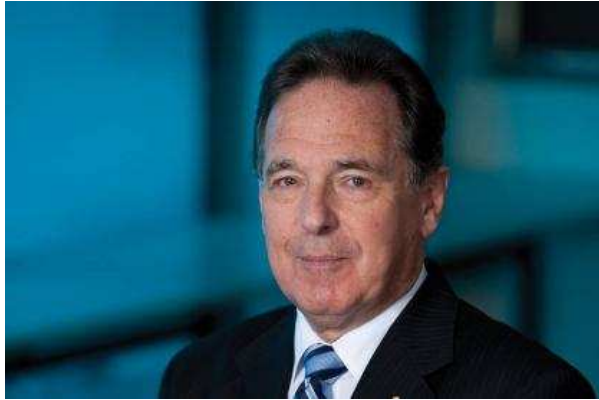
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Mobile warranty worries spark regulator rethink

Free repairs may match prepaid contracts

Darren Pauli (Computerworld) | 14 January, 2010 12:39 | [Comments](#)

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ACCC chair, Graeme Samuel

The length of handset repair warranties could more than double if the industry regulator acts on its contention that warranties should extend to the life of service contracts.

The move follows an undertaking by the Australian Competition and Consumer Commission (ACCC), which forced Vodafone Hutchison Australia to extend its free prepaid handset fault repair warranties to match the duration of service contracts and lengthen its replacement warranties from two weeks to 28 days.

The company was forced to extend warranties to three years after it was revealed it had wrongly told prepaid customers inside the 14 day replacement window that they must repair their faulty handsets.

The regulator would not confirm if it is investigating an industry-wide change to warranties, however a spokesperson told *Computerworld* it is a long-held belief that the move should take place.

One-year contracts are standard fare across the industry. Telsyte managing director, Warren Chaisatien, said carriers would not extend basic repair warranties without ACCC intervention.

"Additional costs would be avoided like the plague especially in cheap prepaid contracts," Chaisatien said.

Under the Trade Practices Act, however, goods and services are protected by statutory warranties that operate beyond manufacturer warranties. Goods must be of merchantable or acceptable quality, fit for purpose and free from defects.

ACCC chairman Graeme Samuel said mobile phone retailers need to lift their game.

"At minimum, they need to ensure consumers have access to a reasonable remedy for the entire period of their service contract," Samuel said.

"It is simply not good enough that a customer is tied into a service contact

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for two years when the retailer is only promising to fix a faulty mobile phone for the first 12 months."

The Trade Practices Act breach occurred between May 2008 to June 8 2009, prior to [the Hutchison3G and Vodafone merger](#).

"Hutchison created an untenable situation where consumers with 15 day old faulty mobile phones were told they were only entitled to a repair," Samuel said.

The carrier for a period of three years will:

- Extend the 'early life failure' period during which replacement mobile phones are provided to consumers for faulty mobile phones manufactured by Nokia, Apple, INQ and Research in Motion (Blackberry) from 14 days to 28 days after purchase.
- Provide all customers who acquired a mobile phone (except for mobile phones manufactured by Apple) in conjunction with a service contract on or after 1 December 2009 an express repair warranty for the entire length of the customers' service contract. That means a customer on a 24 month service contract will receive free unlimited repairs if their handset is faulty for the entire two year period
- Provide all active pre-paid customers who acquired their handset on or after 1 January 2010 an express repair warranty for 24 months. </i>
- Take all reasonable steps to provide a loan phone to customers while their faulty phones are being repaired

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- [Hutchison and Vodafone form new joint venture](#)

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