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# BE A SMART SHOPPER ABOUT GUARANTEES

TEXAS AGRICULTURAL EXTENSION SERVICE  
THE TEXAS A&M UNIVERSITY SYSTEM  
Daniel C. Pfannstiel, Director, College Station, Texas

## BE A SMART SHOPPER ABOUT GUARANTEES

Extension Family Resource Management Specialists  
Texas A&M University

A written guarantee or warranty is a promise included with a product. It tells certain performance or quality characteristics about the product. The words "guarantee" and "warranty" have the same meaning as far as the manufacturer's promises about a product are concerned. The words are used interchangeably.

A warranty is an important feature of any product. Don't wait until the product fails or needs repair to find out how good the warranty is. Become familiar with the terms of the warranty before buying an item. Comparing warranties should be an important part of shopping. Comparing the reliability of the company behind the warranty is also important.

### Written Warranties

Federal legislation effective July 1975 provided new guidelines for written warranties. The law does not require that a warranty be given. But when one is given, it must be designated as either "full" or "limited." If the warranty is labeled full, a faulty product must be repaired or replaced, free of charge, within a "reasonable time." The buyer can choose to accept a refund of the full purchase price. The manufacturer cannot demand that the refund be accepted unless it can be shown that repair or replacement is impractical. The limited warranty has to clearly identify exactly what parts or labor are covered and for how long. A product can carry both types of warranties, but the difference must be explained. For example, a microwave oven might have a "full, one-year warranty" as well as a "limited warranty" covering only the magnetron tube for a longer period. Specific instructions for seeking repairs or replacements must be written on the warranty.

### Implied Guarantees

Not all products come with a written guarantee. This is particularly true of small items. The law presumes that implied guarantees exist whenever a manufacturer makes and offers a product to sell.

Implied guarantees mean that a product must be reasonably suited to the purposes for which it's sold. It must meet promises made on the label. A product

should be able to do the particular jobs a manufacturer says it will do. Implied guarantees have been upheld in court. This sometimes entitles a consumer to help for a faulty product even without a written guarantee. Products should also live up to claims made in sales literature and ads.

### What to Consider

*What is guaranteed?* Does the guarantee cover the entire product or only certain parts? If only certain parts are included, are these the important parts? Is labor included?

*How long does the guarantee last?* Sometimes the entire product is guaranteed for a certain period. Specific parts may be guaranteed for an additional length of time.

*Who is responsible for repairing the product?* Is the manufacturer, the dealer or a service center responsible for repairing the product? Who pays for parts? For labor? Must the product be delivered or shipped elsewhere to get service? Who pays for shipping costs? How close is the repair service — within town or many miles away? Is the product small enough to be shipped at a reasonable cost?

*Who is making the guarantee?* Is the manufacturer or store guaranteeing the product? Keep in mind that a guarantee is only as good as the firm that stands behind it. A company that has gone out of business has a meaningless guarantee.

### Types of Warranties

The Magnuson-Mass Warranty Act does not require manufacturers to offer written warranties, but it does set standards for those who choose to warrant their products in writing. A warranty may be designated as full or limited.

*Full warranty.* A warranty must comply with the following requirements: a) it must provide for repair or replacement of a defective or malfunctioning product without charge and within a reasonable time; b) it may not limit or disclaim any implied warranty covering the product; c) it may not require the consumer to do anything other than give notification of the defect to receive satisfaction under the warranty, d) it may not limit the warranty's protection to the regional buyer alone.

*Limited Warranty.* The Act creates certain minimum requirements for all written warranties. If a warranty meets only these minimum requirements, it will be designated as *limited*.

## What Consumers Can Do

Read guarantees and understand the terms before buying. When unsure about a meaning, ask the merchant to explain it. Have any verbal promises made by the seller put in writing.

Shop and compare guarantees. The terms and time period could vary from one brand to another. The quality and availability of service may make an important difference in the particular brand chosen.

Choose products which are manufactured and sold by reliable firms. Buy from reliable stores that stand behind products they sell.

Keep a copy of the guarantee and dated sales slip for future reference. Promptly fill out and return a necessary registration card included with the product. Save promises or claims made in sales literature and advertisements.

## Service Contracts

In addition to the protection of an appliance warranty, many manufacturers, dealers and service centers offer service contracts for appliances. For a yearly fee, a company issues a service contract providing you with insurance against big bills. If the appliance turns out to be a "lemon" you could save quite a bit. However, if repair bills are normal, you may spend more on a service contract than you would on repairs.

Before you sign up for a service contract, consider the following points;

- the service life expectancy of the appliance
- your own ability to maintain or repair the appliance
- the product warranty
- how large a repair bill you could handle

Service contracts are not standardized, and generally their terms depend on the appliance involved. Read before you sign and know exactly what you're paying for, as well as how much you're paying. If you could deposit the annual cost of a service contract in a savings account — and earn interest — you would have a fund to help handle any repair bills.

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