

AAAA MEMBER GUIDE

CUSTOMER SUPPLIED PARTS

There are risks involved in fitting customer supplied parts and repairers should exercise caution before agreeing to do so.

Liability

If a customer supplies a part (and not the repairer), the repairer is not liable for the part under Australian Consumer Law (ACL). However, the repairer is obligated under ACL to comply with the consumer guarantees that relate to the services performed in fitting the part. This includes guaranteeing that:

- the services will be rendered with due care and skill;
- the services will be fit for a particular or disclosed purpose; and
- the services will be supplied within a reasonable time.

Issues to consider

The repairer should not agree to fit a part that is not fit for purpose. It can be extremely difficult for a repairer to be able to determine whether the part is fit for purpose if the part does not come from a reputable supplier.

If a repairer is considering accepting a customer supplied part, the following should also be considered before any agreement is reached:

- did the customer supply the correct part and/or are there any parts missing;
- is the part fit for purpose (the repairer may still be liable for damage caused as a result even though they did not supply the part);
- is the repairer familiar with the quality, history and specifications of the part;
- could the part have a negative impact on the vehicle if fitted;
- does the part come with any warranty;
- will the repairer suffer any loss of profit (e.g. for the supply of parts by the repairer or due to additional work involved in fitting an unfamiliar part);
- could there be a negative impact on the reputation of the business if the part fails (the customer will most likely blame the repairer even if they are not liable under the law);
- is there a possibility that the part will not fix the issue with the vehicle and if so has the customer been informed;
- is the customer someone you wish to maintain/build a relationship with (e.g. a long term or valuable customer); and
- does the repairer have adequate insurance in place.

Recommendations

Repairers should avoid fitting customer supplied parts where possible. However, if it is absolutely necessary to fit the customer supplied part, the repairer should obtain the following prior to the repairer commencing the work:

- the customer's acknowledgement that the customer supplied the part;
- the customer's acknowledgement that the customer was informed by the repairer of the potential consequences of using the part and/or a part that does not meet necessary standards;
- the customer's acknowledgement that the repairer does not offer any warranty on the part and is not the supplier of the part for the purpose of the consumer guarantees; and
- the customer's agreement that they release and indemnify the repairer from any loss or damage caused by the part.

AAAA members can contact Industry Legal Group Pty Ltd on 1300 369 703 or aaaa@industrylegalgroup.com.au to obtain a free template deed of release and indemnity for customer supplied parts.

It is also a good idea to display a notice in the workshop which states that the repairer generally does not fit customer supplied parts (see attached).



Disclaimer

This document is intended for information purposes only and should not be regarded as legal advice. Please contact Industry Legal Group Pty Ltd if you require legal advice.

Individual liability limited by a scheme approved under Professional Standards Legislation.