



(Disputes Tribunal Act 1988)  
**ORDER OF DISPUTES TRIBUNAL**

[2024] NZDT 55

**APPLICANT**      NQ

**RESPONDENT**    NM Ltd

**The Tribunal orders:**

**NM Ltd is to pay NQ \$1,751.28 within 28 days.**

Reasons

[1] NQ bought a NM Ltd Laptop from a retailer for \$3,064.75. The screen of the laptop has now failed, and NQ claims compensation from NM Ltd, the manufacturer. NM Ltd has declined to provide a remedy to NQ.

[2] NQ said that he bought the laptop on 14 May 2020, together with a three-year extended warranty. The screen failed shortly after the extended warranty expired. He contacted NM Ltd, asking that the laptop be repaired or the price refunded. He said that the response of NM Ltd was that it had no obligation to provide a remedy to NQ because the extended warranty had expired.

[3] NQ considered that the laptop was an expensive one, and should have lasted at least seven years. He had been told by NM Ltd that there were no facilities in New Zealand to enable him to have the screen replaced on the laptop in question.

[4] NM Ltd did not attend the hearing, and has provided no defence to the claim to the Disputes Tribunal.

**The law**

[5] An extended warranty does not displace the provisions of the Consumer Guarantees Act 1993 (“the CGA”). An extended warranty may, to be of value, be effective to provide rights that are additional to those given to consumers by the CGA, but does not oust the CGA’s application.

[6] In this case, NM Ltd is deemed under the definition of “manufacturer” in s 2 of the CGA to be the manufacturer of the laptop. Part 3 of the CGA sets out the rights of redress against manufacturers in respect of sales of goods. A consumer has a right of redress against a manufacturer when, amongst other circumstances, goods fail to comply with the guarantee of acceptable quality provided by s 6 of the CGA. The definition of “acceptable quality” in s 7 includes a requirement, among others, that goods must be reasonably durable, having regard to a number of stated relevant factors, including the price of the goods.

[7] Where goods fail to comply with the guarantee of acceptable quality, a consumer may obtain compensation from the manufacturer that reflects the loss of value of the goods by reason of the failure of the guarantee. It is not the obligation of a manufacturer to repair goods unless there is an express guarantee given by the manufacturer to that effect.

### **Decision**

[8] I consider that a laptop that cost \$3,064.75 cannot be regarded as reasonably durable if it lasts, as this one did, only three years. Thus, it does not comply with the consumer guarantee of acceptable quality. As, according to NQ's evidence, NM Ltd informed him that the laptop screen could not be repaired, I consider that NQ is entitled to be compensated as if the laptop had failed completely; it cannot be used in any normal way.

[9] NQ's view was that the laptop should have lasted about seven years. I consider that to be reasonable. I accept that, although the website of Consumer New Zealand suggests lesser lifespans for laptops in general, NQ's laptop was sold to him as being of a high quality, as reflected in the price, and he could have reasonably expected it to last about seven years.

[10] NQ has had three years' use from the laptop. Thus, I have calculated the reduction in value of the laptop that resulted from the failure of the consumer guarantee of acceptable quality as being a proportion of four-sevenths of the purchase price. This reflects the fact that he should have had a further four years of use of the laptop before it failed. NM Ltd must, therefore, pay NQ \$1,751.28.

**Referee: C Hawes**

**Date: 28 February 2024**