

FITTING CUSTOMER SUPPLIED PARTS

Industry Legal Group often receives enquiries from members about the legal implications of fitting parts supplied by a customer

These parts may be purchased by the customer online or from an unknown source. It is important for members to understand that there are risks involved in fitting these parts and members should exercise caution.

Liability

If a customer supplies the part (and not the repairer), the repairer is not liable for the part under Australian Consumer Law.

However, the repairer is obligated under Australian Consumer law 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.

The following issues should be considered prior to agreeing to fit a customer supplied part:

- 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

of fitting a part that is not fit for purpose 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 (eg. 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 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);
- does the repairer have adequate insurance in place.

Recommendations

We recommend repairers avoid fitting customer-supplied parts where possible.

However, if it is absolutely necessary to fit the customer-supplied part, we recommend requiring the customer to sign an acknowledgement and release form (prior to commencing the work) which at least covers the following:



- confirmation that the part was supplied by the customer;
- confirmation that the customer was informed of the potential consequences of using the part and/or a part that does not meet Original Equipment Manufacturer standards; and
- confirmation that the repairer does not offer any warranty or consumer guarantees on the customer-supplied part;
- agreement from the customer that they release and indemnify the repairer from any loss or damage caused by the customer-supplied part.

It is also a good idea to display a notice in the workshop which states that the repairer may refuse to fit customer-supplied parts.

This article is intended for information purposes only and should not be regarded as legal advice. Please contact Industry Legal Group for legal advice relevant to your particular circumstances.



AAAA Member Benefits

Industry Legal Group provides advice on all consumer law issues including the legal implications of fitting a customer-supplied part. Industry Legal Group can assist members with drafting notices and an acknowledgement and release form if required.

Please contact Industry Legal Group on 1300 369 703 or aaaa@industrylegalgroup.com.au if you require any assistance.