PREPARATION PACK · SOUTH AUSTRALIA (COMMONWEALTH LAW APPLIED)

# Does the retailer have to refund the laptop?

| PREPARED | JURISDICTION | REFERENCE | CITATIONS CHECKED |
|---|---|---|---|
| 4 November 2026 | South Australia (Commonwealth law applied) | ATU-2026-000184 | 22 of 22 |

WHAT YOU ASKED

*I run a small electronics retail shop in Adelaide (sole trader). On 14 June 2026 a customer bought a laptop from us for $2,400 (invoice 2041). On 9 October 2026 she emailed saying the screen had been flickering 'from about the second week' and that it has now stopped turning on altogether. She wants a full refund. Our invoice has a printed line 'Refunds only within 30 days of purchase, store credit thereafter'. We have not inspected the laptop yet. She has sent three emails and says she will 'go to consumer affairs' if we do not refund by Friday. I want to know whether I have to refund her, what I am entitled to do first (inspect, repair, replace), whether our 30-day policy means anything, and exactly what I should write back to her.*

ROLE
the supplier (small retail business, sole trader)

GOAL
avoid a dispute while not refunding more than the law requires; a reply I can send

DATES
sale 14 June 2026; first complaint email 9 October 2026; customer deadline Friday 30 October 2026

THE CLOCK: TIME LIMITS FOR THIS KIND OF MATTER

- **Check this now:** a limit of this kind may be close on the dates you gave. Check it with a lawyer, a free legal service or the tribunal now. The deadline the customer set, 30 October 2026, falls before today's date (4 November 2026). What follows from a passed demand deadline is a matter to raise with a lawyer or free service.
- **The rejection period** is not a fixed number of days. It is the period from the time of supply of the goods within which it would be reasonable to expect the failure to become apparent, having regard to the type of goods, the use a consumer is likely to put them to, the length of time it is reasonable for them to be used, and the amount of use before such a failure becomes apparent (s 262(2)) [13]. A consumer is not entitled to reject goods once the rejection period has ended (s 262(1)(a)) [13]. The start point is the time of supply, which on the dates you gave would be 14 June 2026.
- **"Within a reasonable time"** appears as the period for a supplier to remedy a non-major failure (s 259(2)) [3], and in the major-failure test for whether goods can be remedied easily and within a reasonable time (s 260(1)(c), (d)) [4]. These are not set as fixed numbers in the sources.
- **Three years**: the time limit for an action against a manufacturer runs from when the affected person first became aware, or ought reasonably to have become aware, that the guarantee was not complied with (s 273) [19]. This is a manufacturer time limit, not a supplier or consumer limit.

- The supplied sources do not set out a general limitation period for a consumer's action against a supplier under s 259, nor the time limits of any particular SA tribunal. Those would be found in the tribunal's own legislation and rules; confirm them with a lawyer, a free legal service or the tribunal.

## 01 Your situation

You run a small electronics retail shop in Adelaide as a sole trader. On 14 June 2026 a customer bought a laptop from your shop for $2,400 (invoice 2041). On 9 October 2026 the customer emailed to say the screen had been flickering "from about the second week" after purchase and that the laptop has now stopped turning on altogether. The customer wants a full refund. Your invoice carries a printed line, "Refunds only within 30 days of purchase, store credit thereafter." You have not yet inspected the laptop. The customer says she has sent three emails and that she will "go to consumer affairs" if you do not refund by Friday 30 October 2026.

So far as these facts show, this matter is not before a court or tribunal. It is at the stage of correspondence and a demand with a deadline.

You asked for a reply you could send to the customer. This pack does not draft communications. What such a reply would need to address has been turned into questions in the section headed "Questions to ask".

Timeline

- 14 June 2026: customer bought a laptop for $2,400, invoice 2041 (from what you told us)
- 9 October 2026: customer emailed reporting screen flickering "from about the second week" and the laptop now not turning on, and sought a full refund (from what you told us)
- 30 October 2026: deadline the customer set for a full refund, citing three prior emails (from what you told us)

## 02 The law for situations like yours

### COVERAGE: ACQUIRING GOODS AS A CONSUMER

A person is taken to have acquired goods as a consumer if the amount paid did not exceed $40,000, or the goods were of a kind ordinarily acquired for personal, domestic or household use or consumption, or they were a qualifying vehicle or trailer (s 3(1)) [5]. This does not apply where the goods were acquired for re-supply, or for using up or transforming in trade or commerce (s 3(2)) [5]. If it is alleged in a proceeding that a person was a consumer in relation to particular goods, it is presumed, unless the contrary is established, that the person was a consumer (s 3(10)) [5]. These provisions set who the consumer guarantee regime covers and who carries the burden on that question in a proceeding.

### THE ACCEPTABLE QUALITY GUARANTEE

Where a person supplies goods to a consumer in trade or commerce, other than by auction, there is a guarantee that the goods are of acceptable quality (s 54(1)) [1]. Goods are of acceptable quality if they are fit for all purposes for which goods of that kind are commonly supplied, acceptable in appearance and finish, free from defects, safe, and durable, as a reasonable consumer fully acquainted with the state and condition of the goods (including hidden defects) would regard as acceptable, having regard to the matters in subsection (3) (s 54(2)) [1]. Those matters are the nature of the goods, the price (if relevant), statements on packaging or labels, representations by the supplier or manufacturer, and any other relevant circumstances of supply (s 54(3)) [1].

### CARVE-OUTS TO ACCEPTABLE QUALITY

Goods are taken to be of acceptable quality where the only reasons they are not were specifically drawn to the consumer's attention before the consumer agreed to the supply (s 54(4)), including by a transparent written notice displayed with the goods (s 54(5)) [1]. Goods do not fail the guarantee where the consumer causes them to become unacceptable or fails to take reasonable steps to prevent that, and they are damaged by abnormal use (s 54(6)) [1]. Goods also do not fail where the consumer examined them before agreeing and the examination ought reasonably to have revealed the problem (s 54(7)) [1]. These provisions set the matters on which cause and disclosure are assessed.

### FITNESS FOR A DISCLOSED PURPOSE

There is a guarantee that goods are reasonably fit for any purpose the consumer made known, expressly or by implication, to the supplier (or to a person who conducted prior negotiations, or to the manufacturer), and for any purpose the supplier represents they are fit for (s 55(1), (2)) [2]. This guarantee does not apply if the circumstances show the consumer did not rely, or that it was unreasonable for the consumer to rely, on the skill or judgment of the supplier, that person, or the manufacturer (s 55(3)) [2].

### THE POLICY CLAUSE AND EXCLUSION OF GUARANTEES

A term of a contract is void to the extent that it purports to exclude, restrict or modify, or has the effect of excluding, restricting or modifying, the application of the guarantee provisions, the exercise of a right conferred by them, or any liability for failure to comply (s 64(1)) [6]. A term is not taken to do this unless it does so expressly or is inconsistent with the provision (s 64(2)) [6]. The Part 5-4 remedy provisions are similarly protected from exclusion by contract (s 276) [16]. Section 64A permits certain liability-limiting terms to survive, but only for goods other than goods of a kind ordinarily acquired for personal, domestic or household use or consumption (s 64A(1)) [11], and even then the section does not apply if the buyer establishes it is not fair or reasonable for the supplier to rely on the term, having regard to the factors in s 64A(4) [11].

### WHEN A FAILURE IS A MAJOR FAILURE

A failure to comply with a goods guarantee is a major failure if a reasonable consumer fully acquainted with the nature and extent of the failure would not have acquired the goods; or the goods depart in one or more significant respects from a description or sample; or the goods are substantially unfit for a common purpose and cannot easily and within a reasonable time be remedied; or unfit for a disclosed purpose and cannot easily and within a reasonable time be remedied; or not of acceptable quality because unsafe (s 260(1)) [4]. Two or more failures taken as a whole can also amount to a major failure (s 260(2)) [4]. This category governs which remedies in s 259 are available and who chooses.

### REMEDIES AND WHO CHOOSES THE REMEDY

Where a failure can be remedied and is not major, the consumer may require the supplier to remedy it within a reasonable time; if the supplier refuses or fails to do so within a reasonable time, the consumer may have it remedied elsewhere and recover costs, or (subject to s 262) reject the goods (s 259(2)) [3]. Where the failure cannot be remedied or is major, the consumer may (subject to s 262) reject the goods, or recover compensation for reduction in value (s 259(3)) [3]. Damages for reasonably foreseeable loss are available in addition (s 259(4), (6)) [3]. Where the consumer requires a remedy for a non-major failure, the supplier may choose to repair, replace with identical goods, or refund (s 261) [7].

### REJECTION: LIMITS, CONSEQUENCES AND INSPECTION

A consumer is not entitled to reject goods if the rejection period has ended, the goods have been lost, destroyed or disposed of, the goods were damaged after delivery for reasons unrelated to their condition at supply, or they are attached to property and cannot be detached without damage (s 262(1)) [13]. On valid rejection the consumer must

return the goods unless already returned or retrieved, or return would involve significant cost because of the nature of the failure or the goods (s 262(2), (3)) [12], and the supplier must, according to the consumer's election, refund or replace with goods of the same type and similar value if reasonably available (s 263(4)) [12]; a refund cannot be satisfied by letting the consumer acquire other goods from the supplier (s 263(5)) [12]. The supplied sources do not contain an express provision giving a supplier a right to inspect before providing a remedy; how a supplier establishes the matters in s 54(6) and (7) [1], and any practical inspection step, is not resolved by the sources and is a matter to raise with a lawyer or free service.

## 03 What gets looked at

- **Consumer status** [5]: whether the acquirer was a consumer is assessed against the amount thresholds and purposes in s 3, with a statutory presumption of consumer status in a proceeding unless the contrary is established.
- **Acceptable quality qualities** [1]: a decision-maker looks at fitness for common purposes, appearance and finish, freedom from defects, safety and durability, judged by a reasonable consumer fully acquainted with the goods' state.
- **The s 54(3) matters** [1]: the nature of the goods, their price, statements on packaging or labels, representations by supplier or manufacturer, and any other relevant circumstances of supply.
- **The acceptable quality carve-outs** [1]: whether the only reasons for unacceptability were drawn to the consumer's attention, whether the consumer caused the defect or used the goods abnormally, and whether a pre-supply examination ought to have revealed it.
- **Fitness for purpose** [2]: what purpose was made known and whether reliance on the supplier's skill or judgment was present and reasonable.
- **Exclusion of guarantees** [6,11]: whether a term expressly or by inconsistency excludes, restricts or modifies a guarantee or right; for s 64A, whether the goods are of a household kind and the fair-and-reasonable factors in s 64A(4).
- **Major failure limbs** [4]: the matters in s 260(1), including whether the goods can easily and within a reasonable time be remedied, and the cumulative-failure test in s 260(2).
- **Rejection entitlement** [13]: the rejection-period factors in s 262(2) (type of goods, likely use, reasonable length of use, amount of use before failure becomes apparent) and the bars in s 262(1).

## 04 What the other side may say

ARGUMENTS COMMONLY RAISED IN MATTERS LIKE THIS

- That the printed refund policy is void to the extent it restricts the statutory guarantees, pointing to the exclusion provision and the presumption of consumer status (s 64, s 3(10)) [6,5]. This raises for a lawyer whether, and to what extent, the clause has the effect s 64 addresses.
- That a laptop flickering within weeks and later not turning on fails the acceptable quality guarantee, including the freedom-from-defects and durability limbs (s 54(2)(c), (e)) [1]. Whether those facts meet the statutory test is for a lawyer to assess, and this raises what the acceptable quality test requires on these facts and what evidence bears on it.
- That the failure is major, so the consumer may elect a refund or replacement, on the basis that a reasonable consumer would not have acquired the goods knowing of it, or that the goods are

substantially unfit and cannot be remedied easily and within a reasonable time (s 260(1), s 259(3), s 263(4)) [4,3,12]. This raises for a lawyer how the major-failure limbs are applied and who then chooses the remedy.

- That the symptoms appeared early and within a reasonable rejection period (s 262(2)) [13]. This raises for a lawyer how the rejection period is measured for goods of this kind.

## 05 Documents that usually matter

- Whether the customer acquired the laptop for personal or household use, or for a business or re-supply purpose: bears on consumer status and on the household-goods carve-out for liability-limiting terms (s 3, s 64A) [5,11].
- The full terms of sale beyond the invoice line, and whether any defect or limitation was drawn to the customer's attention before agreement: bears on the carve-outs (s 54(4), (5)) [1].
- Any representations made about the laptop, any purpose stated or implied, and any reliance on your skill or judgment: bears on the s 54(3) matters and fitness for purpose (s 54(3), s 55) [1,2].
- The three prior emails the customer cites, and any responses: relevant to what was communicated and when.
- The invoice in full, and any warranty, manufacturer documents, or written notice about repair facilities or parts (s 58) [24].
- Technical evidence on the cause of the flickering and the failure to turn on, that is, whether it is an inherent defect, consumer-caused damage, or abnormal use (s 54(6)) [1]. The laptop has not yet been inspected.
- The timing details: when symptoms began ("about the second week"), how they progressed, and the usage pattern: bears on durability and the rejection period (s 54(2)(e), s 262(2)) [1,13].
- The manufacturer's identity and any supplier indemnity position (s 274) [21].
- Whether goods of the same type and similar value are reasonably available to you: relevant to replacement on rejection (s 263(4)(b)) [12].

## 06 The routes

- **Direct negotiation and correspondence**: the parties exchange their positions and try to settle the matter between themselves without a third party.
- **A consumer protection agency complaint or conciliation**: the consumer mentioned "consumer affairs"; the state agency can commonly receive complaints and offer conciliation. The sources describe the Australian Consumer Law regime but do not name the SA agency, its contact details, or any complaints form. Confirm these with a lawyer or a free legal service.
- **A tribunal application**: consumer guarantee disputes of this kind are commonly brought before a state tribunal, which applies the remedy provisions (s 259, s 263) [3,12]. The sources do not identify the particular SA tribunal, its jurisdiction, forms or fees. Check the current fee and process with that body.
- **A court claim, including a small claims process**: lower-value civil disputes can be brought in a court's small claims arrangements. The sources do not identify the particular SA court, its process or its fees. Check the current fee with that body.

None of these routes is ranked or recommended here; which fits is a matter to raise with a lawyer or free service.

## 07 Questions to ask a lawyer or free service

1. On the information available, is the customer likely to be treated as having acquired the laptop as a consumer under s 3, and how does the statutory presumption in s 3(10) work in practice [5]?
2. How is the acceptable quality guarantee in s 54 assessed for a laptop of this price and kind, and what weight do the durability and freedom-from-defects limbs carry [1]?
3. What effect, if any, does the printed line "Refunds only within 30 days of purchase, store credit thereafter" have given s 64 and s 276, and does s 64A have any role for goods of this kind [6,16,11]?
4. What distinguishes a major from a non-major failure under s 260 on facts like these, and how does that change who chooses the remedy under s 259 and s 261 [4,3,7]?
5. If the failure were treated as non-major, what does "remedy within a reasonable time" require of a supplier, and what are the supplier's repair, replace or refund options under s 261 [3,7]?
6. How is the rejection period in s 262(2) measured for a laptop, and what do the bars in s 262(1) require [13]?
7. Do the supplied sources or any other provision give a supplier a right to inspect the goods before settling a remedy, and how are the carve-outs for consumer-caused damage, abnormal use and prior examination in s 54(6) and (7) established [1]?
8. What follows now that the customer's refund deadline of 30 October 2026 has passed, and what effect, if any, does that have on the options available?
9. What is the time limit for a consumer's action against a supplier under s 259, and what are the time limits and fees of the SA tribunal or court that would hear such a claim?
10. If you were to pay a remedy to the customer, what does the manufacturer indemnity in s 274 involve and within what time must a supplier act [21]?

## 08 Free help

- The South Australian legal aid commission.
- Community legal centres in South Australia.
- The South Australian consumer protection agency (the body the customer referred to as "consumer affairs").
- The South Australian civil and administrative tribunal or the relevant SA court dealing with consumer claims.
- A small business advisory or ombudsman service.

The supplied sources do not provide phone numbers or web addresses for these bodies; confirm current contact details and eligibility directly with each.

## 09 Your documents

No documents were supplied. The documents that would most help are:

- The full invoice 2041, including all printed terms.
- The three emails from the customer and any responses you sent.
- A technical inspection or repair report on the cause of the flickering and the failure to turn on.

## 10 The law relied on

**CITATION CHECK**
22 of 22 citations were matched to the source text, after correcting the ones the first check flagged.

| | | |
|---|---|---|
| 1 | **Competition and Consumer Act 2010 s 54**<br>Guarantee as to acceptable quality | Compilation 2026-09-16 (C2026C00405) |
| 2 | **Competition and Consumer Act 2010 s 55**<br>Guarantee as to fitness for any disclosed purpose etc. | Compilation 2026-09-16 (C2026C00405) |
| 3 | **Competition and Consumer Act 2010 s 259**<br>Action against suppliers of goods | Compilation 2026-09-16 (C2026C00405) |
| 4 | **Competition and Consumer Act 2010 s 260**<br>When a failure to comply with a guarantee is a major failure | Compilation 2026-09-16 (C2026C00405) |
| 5 | **Competition and Consumer Act 2010 s 3**<br>Meaning of consumer | Compilation 2026-09-16 (C2026C00405) |
| 6 | **Competition and Consumer Act 2010 s 64**<br>Guarantees not to be excluded etc. by contract | Compilation 2026-09-16 (C2026C00405) |
| 7 | **Competition and Consumer Act 2010 s 261**<br>How suppliers may remedy a failure to comply with a guarantee | Compilation 2026-09-16 (C2026C00405) |
| 11 | **Competition and Consumer Act 2010 s 64A**<br>Limitation of liability for failures to comply with guarantees | Compilation 2026-09-16 (C2026C00405) |
| 12 | **Competition and Consumer Act 2010 s 263**<br>Consequences of rejecting goods | Compilation 2026-09-16 (C2026C00405) |
| 13 | **Competition and Consumer Act 2010 s 262**<br>When consumers are not entitled to reject goods | Compilation 2026-09-16 (C2026C00405) |
| 16 | **Competition and Consumer Act 2010 s 276**<br>This Part not to be excluded etc. by contract | Compilation 2026-09-16 (C2026C00405) |
| 19 | **Competition and Consumer Act 2010 s 273**<br>Time limit for actions against manufacturers of goods | Compilation 2026-09-16 (C2026C00405) |
| 21 | **Competition and Consumer Act 2010 s 274**<br>Indemnification of suppliers by manufacturers | Compilation 2026-09-16 (C2026C00405) |
| 24 | **Competition and Consumer Act 2010 s 58**<br>Guarantee as to repairs and spare parts | Compilation 2026-09-16 (C2026C00405) |

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