

Activate your consumer rights

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The law includes various consumer protection measures. The ones that apply to building include:

- 12 month defect period and 10 years for implied warranties
- Construction Contracts Act
- Consumer Guarantees Act
- Fair Trading Act
- Tort law.

12 month defect period and 10 years for implied warranties

You need to tell your contractor about any defective residential building work within 12 months of your building work being complete. Get your building contractor to confirm the completion date in writing to avoid any confusion.

So long as you provide written confirmation of the defect, your contractor must put it right within a reasonable timeframe. If there is a dispute it is the contractor's responsibility to prove that any defective work (or products) is not their fault.

The 12 month defect period is part of the implied warranties that automatically cover almost all aspects of building work. This includes compliance with the Building Code, good workmanship and timely completion of building work. A breach of these warranties is a breach of any contract, written or unwritten.

The implied warranties apply:

- for up to 10 years regardless of whether you have a written contract or what the contract terms are
- regardless of the cost of your building project.

To activate the Building Act's implied warranties you would need to take any dispute to a legal court. If this looks like the option you need to take, seek legal advice.

If a building owner, main contractor or possibly future owner (depending on timing) thinks warranties have been breached:

- you could seek arbitration or adjudication under the Construction Contracts Act, or proceedings may be taken in the District Court or High Court (depending on the value of the work)
- you'll need clear evidence to support the claim in a court hearing (it's the responsibility of the claimant to prove the claim)
- success is reliant on the claimant being able to show they have suffered loss or damage as a result of the actions of the tradesperson
- either court can award the consumer compensation.

When the warranties are breached

- most breaches can be resolved through the simple negotiation process set out in your contract
- if your contractor does not fix the breach within a reasonable timeframe, seek legal advice as you may be able to have another tradesperson repair the work and have the contractor pay the costs
- if the warranties are breached and the building will not be safe for occupants or lacks the expected quality set out in the contract, your contractor may have to pay you for the loss of value to your home. Alternatively they might have to re-reimburse you for their faulty building work
- you may also have the option to cancel your contract, though you should seek legal advice
- you can take the tradesperson to the District Court or the High Court. To be successful in court, you will have to show you have suffered loss or damage as a result of the actions of the tradesperson. The court can award you compensation for the breach.

[Implicit warranties and defects](https://www.building.govt.nz/projects-and-consents/why-contracts-are-valuable/implicit-warranties-and-defects/) (<https://www.building.govt.nz/projects-and-consents/why-contracts-are-valuable/implicit-warranties-and-defects/>) (<https://www.building.govt.nz/resolving-problems/contracts/>) explains more.

Construction Contracts Act

The Construction Contracts Act covers all types of construction work.

[Construction Contract Act](https://www.building.govt.nz/projects-and-consents/why-contracts-are-valuable/construction-contracts-act-2002/) (<https://www.building.govt.nz/projects-and-consents/why-contracts-are-valuable/construction-contracts-act-2002/>) has more information.

Consumer Guarantees Act

The Consumer Guarantees Act applies to services provided by the building industry but not to buildings and building materials – they're covered by the Building Act through implied warranties.

The Consumer Guarantees Act says:

- tradespeople need to work with reasonable skill and competence
- tradespeople need to fix work that isn't competently and skilfully done, at no extra cost
- if tradespeople can't or won't fix work, building owners can get another tradesperson to do the work, passing on the cost to the original tradesperson, if it isn't fixed within a reasonable timeframe.

Read about [consumer protection](https://www.consumerprotection.govt.nz/general-help/consumer-laws/consumer-guarantees-act) (<https://www.consumerprotection.govt.nz/general-help/consumer-laws/consumer-guarantees-act>) on the Consumer Protection website.

Fair Trading Act

The Fair Trading Act ensures people can't mislead you about products or services. It prohibits false or misleading product advertising (for example, you see an advertisement for a bathroom cabinet for \$250 and order one, but when it arrives the bill is \$350).

Have a look at [fair trading](http://www.comcom.govt.nz/fair-trading/) (<http://www.comcom.govt.nz/fair-trading/>) on the Commerce Commission New Zealand website.

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- with compliance with the Building Act, it is published under section 175 of the Building Act
- with a Weathertight Services claim, it is published under section 12 of the Weathertight Homes Resolution Services Act 2006.