

HEA Warranty Code of Practice

1. Introduction

Organisations are responsible for the safety and performance of their products in accordance with applicable legislation and relevant guidance. Products shall be fit for purpose and must be of acceptable quality, perform as described and be free from defects. Products shall comply with the description provided by the manufacturer.

HEA-HEMSA Council have set out their desire to establish points of principle in respect of warranties offered for products in the highway electrical sector in order to ensure transparency, fairness and best practice in the market. These principles are set out in the HEA Warranty Code of Practice, hereinafter called the HEA Warranty Code and are derived from appropriate legislation and standards. HEA-HEMSA Members who subscribe to the HEA Warranty Code, accept and apply the code in its entirety and ensure that all relevant staff are aware of their general responsibilities and their specific obligations under this code.

Should there be any conflict between this code and the legal obligations of manufacturers and suppliers, the legal obligations take precedence.

2. Risk

In setting out warranties or agreeing variations to them, risk aspects need to be taken into account. A warranty is not generally designed to provide complete insurance from a manufacturer or supplier. A warranty must ensure that the level of performance and quality of a product is what could reasonably be expected, given their price and description. It is a statement of the reasonable level of risk shared between clients and manufacturers or suppliers.

Whilst it may initially seem attractive from a procurement prospective to negotiate the longest possible warranty period, the risks need careful consideration. Generally the longer the warranty period, particularly if this is significantly longer than expected industry or component norms, the greater the risk to all parties. These risks may include:

- 2.1 The risk of component or product obsolescence – e.g. through continuing development and innovation improving efficacy or functionality, which would mean that a “like for like” replacement would be effectively going back in time
- 2.2 The risk that purchaser and / or end user needs may have shifted or shifted focus during the period requiring new parameters or functionality as a “norm”
- 2.3 The risk that the manufacturer or supplier may not have planned financially for the repair or replacement of failed items over a long period of time; or has planned but the assumed quantum and / or pattern of failures is significantly different to the reality
- 2.4 The risk that the purchaser’s records and administration systems may be insufficient to enable identification and reporting of failed products in the future, particularly as staff change
- 2.5 Unforeseen risks (e.g. severe storms, lightning strikes) causing unexpected failures (although this would normally be outside any standard warranty terms as by definition they are unforeseen, unquantifiable and outside the sphere of influence of the manufacturer or supplier)

3. Definitions

Client – the organisation which contracts with a manufacturer, purchaser or supplier to acquire, purchase and use products supplied

Manufacturer – an organisation that supplies products to the purchaser which may include a supplier

Purchaser – an organisation purchasing products from a manufacturer or supplier. This may include one or more of a supplier, a contractor or a client

Supplier – a distributor or wholesaler organisation that supplies products to the purchaser

Warranty – an enforceable promise given by a manufacturer, supplier or purchaser to a client to repair, replace or refund a faulty product.

4. Principles – Manufacturer or Supplier Organisations

Manufacturers or suppliers shall demonstrate their commitment to the HEA Warranty Code by ensuring that their organisation:

- 4.1 has access to, and applies in the case of manufacturers, relevant legislation, standards, technical and other guidance in respect of the design, manufacture and packaging of the products
- 4.2 has a clear, effective and auditable process in place for determining what products are supplied to whom and when
- 4.3 has a clear, effective and auditable process for acknowledging and dealing with client or purchaser complaints including in respect to warranty claims in a timely manner
- 4.4 has a clear and visible commitment to the HEA Warranty Code including supplying appropriate information, instruction, supervision and / or training to relevant staff

5. Principles – Warranty

5.1 The warranty will be set out simply, in plain English in a reasonably sized font, setting out the details clearly

5.2 The warranty will not have the effect of limiting the manufacturer's or supplier's legal responsibilities

5.3 Requirements for proof of purchase or alternatively registration (e.g. online), will be set out clearly and unambiguously

5.4 The warranty will set out the following:

5.4.1 What is covered

5.4.2 The length of the warranty. The starting date shall be the date of purchase or delivery and not the date of manufacture

5.4.3 What the warranty action(s) is in terms of repair, replacement or refund

5.4.4 What information is required to make a claim

5.4.5 The process for making the claim including typical target time frames for acknowledging receipt of a claim

5.5 Exclusion(s) of liability shall be set out clearly. Excessively broad general exclusion shall not be used

5.6 Essential maintenance requirements shall be set out including maintenance periods

5.7 Unfair terms are contrary to the requirement for good faith and are to the detriment of the purchaser and shall not be used (e.g. "goods are non-returnable")