

Publications

California Prohibits Written Consumer Warranties from Commencing Earlier than Date of Delivery

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The State of California has amended its Song-Beverly Consumer Warranty Act (Song-Beverly Act) to prohibit written warranties offered on consumer goods from commencing prior to the date of delivery of the good to the consumer. This change goes into effect on July 1, 2023.

The amended law could potentially apply to any company selling into California consumer goods that come with an express written warranty. Under the Song-Beverly Act, “consumer goods” include new products used, bought, or leased primarily for “personal, family, or household purposes,” except for clothing and consumables. Businesses subject to the law include manufacturers, distributors, and retail sellers that make warranties with respect to consumer goods.

The amendment of the Song-Beverly Act was prompted, in part, by concerns related to shipping and fulfillment delays for ecommerce and other out-of-store transactions that became more frequent during the COVID-19 pandemic. More specifically, because warranty periods often begin on the date of purchase, a significant delay in delivery could materially shorten the period of warranty coverage effectively available to a consumer. Thus, to ensure consumers receive the full benefit of their bargained-for warranty, the law now states that the warranty period must not commence “earlier than the date of delivery of the good.”

The amended law, codified at California Civil Code Section 1793.01, is prospective, so warranties made to consumers before July 1, 2023 are not affected. However, manufacturers, distributors, and retail sellers should review the terms of their written warranties for consumer goods and consider making updates to ensure compliance for warranties made to consumers on or after July 1, 2023.

This review may require analyzing warranty information found on product packaging, in product manuals, and other product inserts, as well as warranty information on company websites.

In addition, manufacturers, distributors, and retail sellers should also consider the practical impact of any potential changes made to warranty terms on their warranty claim or customer service procedures. For example, if a receipt or other proof of purchase has historically been required to validate the beginning of the warranty period, a company may need to consider different documentation related to delivery date.

Finally, if changes are made to warranty terms, customer service teams and others involved in processing warranty claims should be made aware of them and trained appropriately so that consumers are not improperly denied warranty coverage.

Failure to comply with the amended law could expose companies to risk of potential enforcement action by the California Attorney General or private actions for damages, including class actions.

Please contact your Vorys lawyer if you would like to discuss whether this amended law may affect your business and determine potential strategies for ensuring compliance.