

Title, possession and securities guarantee

Consumer guarantees

Title to goods

As a supplier, you guarantee you have the right to sell the goods (clear title), unless you alerted the consumer before the sale that you had limited title.

If goods are sold with limited title, any other person with ownership rights - for example, a person owed money by the previous owner - can ask a court for permission to take the goods back from the consumer.

This happens most often when goods are sold from deceased estates. People owed money by the deceased, who pledged the goods as security, may try to repossess the goods.

Undisturbed possession of goods

You guarantee that no one will try to repossess or take back goods bought by a consumer, or prevent the consumer from using those goods, except when:

- the consumer has not met their obligations under the sale, hire or lease contract
- before the sale, you told the consumer that another person had a security interest over the goods
- the consumer hired or leased the goods and the hire or lease period has ended
- at the time of buying the goods, the consumer was aware you only had limited title.

No undisclosed securities on goods

You guarantee that goods bought by a consumer are free of any hidden securities or charges and will remain so, unless the security or charge was either:

- placed on the goods with the consumer's permission
- brought to their attention in writing before they bought the goods.

If you make it clear to the consumer there is limited title before sale, you can claim to have disclosed all known securities or charges over the goods.

For example, a financier claims to be owed money by the former owner of some goods, who may have used the goods as security for a loan. If the consumer did not know about the outstanding debt when buying the goods, the financier cannot repossess the goods or make the consumer pay.