

CMA secures improvements to Currys' sale of extended warranties

Extended warranties offer people the chance to pay for increased protection when buying products, over and above the standard guarantee. Under a legal Order issued by the Competition and Markets Authority's (CMA) predecessor, the Competition Commission, all electrical retailers selling extended warranties are required to provide accurate information to their customers so they can make informed decisions about whether the extra cover is worth buying.

As part of this, Currys arranged for mystery shops to take place at 100 of its stores. The mystery shoppers found around a quarter of staff tested could not provide accurate information on whether cosmetic damage was covered. For example, they were told products would be replaced if they were damaged but still worked, when this was not the case.

The CMA has since been working with Currys to improve the way it sells this type of insurance. The retailer is now making several changes, including introducing extra training for staff; and posters and leaflets around its shops will be clearer in explaining what is and isn't covered. Currys will also implement a new monthly mystery shopping programme to make sure its staff abide by the rules.

As well as ensuring retailers sell extended warranties fairly, the CMA has today published a [new guide](#) on what people should consider before taking out an extended warranty.

It includes advice such as:

- extended warranties are optional – you don't have to buy one
- you might be covered already, so check other insurance products such as home contents
- think about whether you really need protection. Would it be more cost effective to buy a replacement than pay for an extended warranty?
- there might be better options than buying an extended warranty. For example, if you have lots of gadgets, it might be cheaper in the long run to buy multiple item insurance
- if you want to purchase an extended warranty, you don't need to decide at the time you buy
- you can shop around. Check comparison sites for the best price and features

If people think they have been mis-sold an extended warranty, they should first ask the business to look into the complaint. [Citizens Advice](#), [Consumer Advice Scot](#) and Northern Ireland [Consumerline](#) may also be contacted if you need additional help.

The CMA's guide is not a substitute for legal advice and should not be relied

on as such.

More information on consumer issues and unfair contract terms can be found on the [CMA's webpages](#).

Notes:

1. Currys PC World is owned by Dixons Carphone plc.
2. The CMA's letter to Dixons Carphone plc can be found [here](#).
3. The 2005 order was made under the market investigations provisions of the Enterprise Act 2002. It requires all retailers of domestic electrical goods to ensure that extended warranty prices are made clear and cancellation rights are in place at the point of sale (for example, on the internet and in shops).