



Quoting for repairs

Customers expect quality service and a high standard of work at a competitive price. It is important to give customers professional, accurate advice and information, particularly about the cost of the job.

Being asked to supply a quote will often be your first contact with a customer. It makes sense to use this opportunity to create a good impression. If you are clear, concise and accurate when supplying a quote you can ensure your business dealings get off to a good start.

Accurate quoting will avoid disputes with customers and protect your good reputation.

What is a quote?

A quote is a statement of the price for which goods or services will be supplied.

When a quote is accepted, a contract is formed which binds you and your customer to the details contained in the quote.

It is important to make sure all the information contained in the quote is accurate. To avoid confusion, include everything necessary to complete the work. For example:

- cost of materials;
- cost of labour; and
- description of proposed work.

What is an estimate?

In some instances, you may not be able to provide a firm quote until further examination or investigations are made. In these situations you can provide an estimate.

An estimate will provide your customer with an approximation of the cost of repairs. Unlike a quote, the price contained in an estimate is not fixed and the final price may be more or less than the estimated price, depending on the circumstances.

Although you are not committed to your estimate of the price, you must be careful not to mislead your customer with an unreasonably low estimate.

If you provide an estimate which contains an unreasonably low price in order to get the work, the customer may be able to cancel the contract.

Estimates can cause confusion

An estimate can leave your customer confused and none the wiser about their problem and what is required to fix it.

You might miss out on the job because the customer prefers to be given more information. Disputes can easily develop if the actual cost of the work turns out to be more than your estimate.

A 'qualified' quote is a worthwhile alternative when you are not sure of the extent of repairs which will be required.

Qualified quotes

A qualified quote will give your customer a better understanding of the repairs needed.

From a description of the symptoms and perhaps a brief examination, you should at least be able to supply a qualified quote which covers the possible repairs required.

Rather than saying 'I don't know, it could be anywhere between this much and that much', you can tell your customer: 'If this is the problem, it will cost this much to fix and if that is the problem, it will cost that much to fix,' etc.

Supplying a qualified quote will help your customer make a more informed decision and can reduce the confusion which often leads to conflict.

A prospective customer will also have a good first impression of your thoroughness and competence.

Firm quotes

You may wish to offer to investigate the problem first, particularly if it is something out of the ordinary. After this, you will be able to provide a firm quote on exactly what will be required to do the repairs.

Charging for your quote

If you charge for providing a quote, you must tell the customer the cost of the quote before you prepare it. If customers are not made aware of the cost, they do not have to pay.

Put it in writing

Wherever possible supply a written quote.

Relying on memory sometimes causes problems if you and the customer have a different understanding and recollection of what was discussed. Make sure all relevant information is included.

Standard quote form

It may be worthwhile writing your quote on a standard form which sets out the terms and conditions under which it is supplied. For example, you may wish to include a clause which states how long the quote is valid.

However, be careful that the wording does not limit a customer's legal rights. The rights of customers to expect that goods and services will be of a suitable quality are stated in federal and state government laws and cannot be avoided.

It is a good idea to seek legal advice when drafting your standard quote form.

Do I need to be registered?

By law, in Western Australia some tasks can only be performed by registered or licensed tradespersons. Depending on the value of the work, builders and painters must be registered. It is mandatory for all plumbers, electricians and gas fitters to be licensed to undertake any work whatsoever.

Since 2008, anyone who repairs motor vehicles for customers must hold a Repairers Certificate (or be supervised by someone who does). Starting from 1 July 2009, motor vehicle repair businesses must also hold a Motor Vehicle Repair Business Licence.

Before doing the work

We strongly recommend that you get customers to sign quotes to acknowledge that they accept your price to do the work.

This will ensure that there are no misunderstandings about the terms of the agreement. Keep a copy of this and make sure the customer gets one too.

Sometimes repair work is negotiated over the telephone, so getting a signature is not practical. Keep a written note as proof of what was discussed and agreed to. A telephone conversation can be confirmed quickly by sending a fax or email.

What if extra work is needed?

When you provide a fixed quote, you are committed to do the work for the price you have quoted. So, you must ensure that your quote includes all costs for doing the work.

Sometimes, you find that extra work or materials are needed due to unforeseen circumstances.

If these extra costs could not have been foreseen with reasonable skill and experience at the time the quote was made, you may be able to add the extra costs to the price you quoted. But you should contact your customer before you continue with the work.

If the extra costs relate to work or materials that a skilled person in your industry would reasonably have included in the quote, you cannot pass these costs on to your customer. You must complete the job, including the extra work and materials, at the price you quoted.

What if there is a dispute?

If your customer complains about the work that has been performed or the amount you have charged, it is important to listen to the complaint.

Always return any telephone calls or letters. If your customer asks for a written reply within a given time, do your best to provide it.

Try to resolve the complaint quickly. The longer it takes, the more time you lose and the more frustrated and difficult your customer can become.

Your copies of the signed quote and records of conversations with the customer can help to clarify misunderstandings.

When you reach your decision about a complaint, explain your reasons fully.

If you have taken goods for repair and your customer refuses to pay for the work, you are allowed to hold those goods, until the account is paid.

Implied warranties under the Australian Consumer Law

The Australian Consumer Law places certain obligations on a repairer. All work must be carried out with due care and skill.

This means the repairs must be of a reasonable standard and quality. They should be free of any defective parts (including secondhand parts), and be reasonably fit for their normal purpose, having regard to the nature and type of repair.

Some repairers may try to limit their responsibility by displaying signs, or using documents which contain phrases such as 'all care taken but no responsibility accepted'.

Statements such as this are misleading and do not relieve the repairer of their responsibility for faulty parts or defective repairs.

More information

The Department of Mines, Industry Regulation and Safety's, Consumer Protection Directorate provides free telephone advice to consumers and business people about their rights and obligations under consumer laws.

You can ring the Consumer Protection Contact Centre during business hours on 1300 304 054 (cost of a local call statewide).

Disclaimer – The information contained in this fact sheet is provided as general information and a guide only. It should not be relied upon as legal advice or as an accurate statement of the relevant legislation provisions. If you are uncertain as to your legal obligations, you should obtain independent legal advice.

Consumer Protection | Department of Mines, Industry Regulation and Safety **1300 304 054**

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