

QUOTES AND ESTIMATES

The purpose of this factsheet is to advise consumers of the best way to protect themselves when obtaining quotes and estimates for work or repairs.

Obtaining quotes and estimates for work or repairs around the home, on electrical appliances, cars and motorbikes can be very confusing for consumers.

There are some very common traps you can fall into. Quite often you think you have a fixed cost but when the account arrives it is far more than you expected.

Protect yourself: there could be a difference between a quote and an estimate.

Quotes

Often a quote is used to fix prices for services, including parts and labour. The quote should always be in writing, detail the work to be done, parts or materials to be used, and give a time limit for which the quote is valid.

Most trades people will be happy to give you a quote unless they are unsure about the work or parts that will be required.

It is quite legitimate for a fee to be charged for a quote to be given. Often preparing a quote means the item has to be pulled apart and tested which can be time consuming for the service agent. The quote fee is usually taken off the account if you decide to go ahead with the repairs.

Professionals such as lawyers are sometimes unable to give you a quote because they are unsure about the time or work needed. A quote is usually legally binding on both parties providing it forms part of a contract. If it does you cannot be made to pay more than the price stated on the quote, unless there are special circumstances written into the quote or you have agreed to vary the quote.

The quote becomes a legally binding contract when the trader offers the consumer work for a fixed price and the consumer accepts the offer including the conditions of the quote.

Neither party can withdraw from or vary the contract without the other's consent. To do so would be a breach of contract.

Estimates

An estimate is often just an educated guess of the approximate cost of the work or repairs. An estimate is usually verbal, but can also be in writing and is given without knowing the exact extent of the work to be done or the exact costs of materials. You should always (where possible) follow up an estimate with a written quote.

Make sure you establish whether the price given is a quote, or in fact just an estimate. Often estimates can appear to be a detailed quote. Always check the document carefully and if in doubt ask the trader.

Obtaining Quotes

Consumers should treat shopping for services no differently from shopping for goods. Always shop around and obtain several written quotes for the work or services you want. Ask friends or family for information if they have had similar work done.

Make sure quotes are in writing. They should specify the exact work or service to be provided, the cost of labour and materials to be used. Quotes should be as detailed as possible for the protection of both parties.

Check for how long the quote will be current. If you decide to go ahead with the work after the life of the quote has expired, always check to see whether the service provider needs to amend his quote to account for inflation or increases in prices of materials.

Remember a quote becomes a legally binding contract when an offer is made by the service provider and the consumer accepts the quote.

Obtaining an Estimate

Estimates are usually given where the exact extent of the work is not known. An example is car repairs. It is often difficult for a mechanic to know exactly what is wrong with your car until it has been pulled apart, but may be able to give you a rough estimate based on what is most likely wrong.

If you proceed with the work on the basis of an estimate make sure the trader contacts you when they know the full extent of the problem before work is commenced, or alternatively, give them a limit on what you are prepared to pay.

This gives you the option to agree to a fixed price (or quote) or stop the work being done. Try to get a written quote if possible.

Relying on an estimate means, providing the work is satisfactory, you will have to pay the account even if it is considerably more than the estimate you were given. There is no fixed price agreement between both parties as there is on a quote.

Extra Work

If the quote is for specified work you cannot be charged for extra work that was not included in the quote (unless you approved it), e.g. if the roof repairer quotes to retile your roof and replaces your guttering as well without being asked to. For this reason it is important that all quotes are in writing and as detailed as possible. If you don't think the job has been done properly you may be able to rely on consumer guarantees under the Australian Consumer Law.

These guarantees provide that all services must be performed with due care and skill and the use of suitable materials.

Remedies

If you are given an account for more than the quoted amount you should discuss the amount with the trader immediately.

If you are unable to come to a satisfactory agreement, you can refuse to pay the amount in excess of the quote. The trader then has the option to use the Small Claims or Local Court to get you to pay the difference.

If the trader has your goods at his shop he can refuse to give them to you if you do not pay the entire account. You can pay the account and try to recover the money you had to pay in excess of the quoted amount through the Small Claims Court.

If you go ahead with the work on the basis of an estimate you should be prepared for the amount to vary from the original figure, however the final account should not exceed the estimate by a huge amount. If it does, query it immediately.

If you need further advice about using quotes contact Consumer Affairs.