

Smartphone warranties:

Understanding and exercising your rights

Smartphones are complex, pocket-sized computers that often come with a high price tag. With such a significant investment, you want to be confident that you're protected against any defects. Fortunately, smartphones, like other electronic devices, come with a manufacturer's warranty. You also may be offered an extended warranty or insurance, for an extra cost. The best time to make decisions about the kind of protection you need or want for your new smartphone is *before* you get to the checkout.

This guide will tell you what you should look for in a warranty, whether extended warranties and insurance are worth buying, how consumer laws protect you (including the additional rights Californians have), how to make a claim, and what next steps to take if you're dissatisfied.

Manufacturer's warranty

New smartphones come with a manufacturer's warranty. A typical manufacturer's warranty lasts one year, though you may find ones for as short

as 90 days or as long as 24 months. While warranties differ, they typically promise to repair, replace or refund the purchase price of a phone that is found to have mechanical, electrical or software defects. They *don't* cover damage caused by accidents (like dropping your phone) or abuse/neglect (leaving your phone in the hot sun, for example).

Your new device should come with a written ("express") warranty, either within the owner's manual or separate. If you'd like to read the warranty before making a purchase, look for it online or where the product is sold (federal law requires warranty availability at retail locations for warranted products costing more than \$15).

One reason to read the warranty before purchase is to find out how long it will last and to learn what remedies are available if something goes wrong. For example, if your phone needs to be replaced, will you receive a refurbished device (most common) rather than a new one? Can you turn the phone in locally for inspection

or repair, or must you ship it? If you must ship it, are you responsible for shipping charges?

Extended warranty

Retailers often push the option to purchase an extended warranty, or service contract, at the point of sale. The standard extended warranty provides the same coverage as the manufacturer's warranty, but for a longer period—typically an additional one, two or three years. You also might have the option to purchase a plan that includes additional protection, such as for accidental damage, loss or theft.

Depending on where you buy the device, the extended warranty could be through the manufacturer (like Apple Care or Samsung Care+), the wireless service carrier (Verizon, AT&T, etc.), the retailer (for example, Best Buy, Walmart or Target) or a third party (SquareTrade, Mobile Rhino and ProtectCell, to name a few). (Note: Even if you buy an extended warranty from the retailer or wireless carrier, the coverage may be provided by one of these third parties.)

Most consumer advocates advise against buying an extended warranty. Consumer Reports explains, in its study of appliance/electronics extended warranties (<https://www.consumerreports.org/cro/extended-warranties/buying-guide/index.htm>), why extended warranties are rarely a good idea:

- Repairs may be covered by the manufacturer's warranty.
- Products don't typically break down during the time period covered by the service contract.
- There is not much difference between the cost of the warranty and the cost of a repair (but buying a warranty locks in that cost, even if you never use it).
- Manufacturers sometimes recall and repair serious out-of-warranty issues if there's a known defect affecting many customers.
- Your credit card may provide extended coverage on items paid for with the card.
- You may have additional warranty rights under state law (see page 5).
- The plan may let you down—deny your

Finding the warranty online

You can find Apple's iPhone warranty at <https://www.apple.com/legal/warranty/products/ios-warranty-document-us.html>, and Samsung's Galaxy warranty at <https://www.samsung.com/us/support/warranty/>. You can find warranties for other brands of phone by doing an online search for the brand/maker name plus the word "warranty."

You can check the warranty status of a used Apple device (your own or one you're considering purchasing) at <https://checkcoverage.apple.com/in/en/>. Instructions for checking Samsung warranty status are at <https://www.samsung.com/my/support/mobile-devices/how-to-check-warranty-for-my-samsung-mobile-device/>.

For other used devices, do an online search to find out how to check the warranty. Be prepared to enter the device's serial number or IMEI number, which often can be found on the packaging or in the device's Settings (under "General," "About," or similar)—but share that number only with verified, legitimate parties.

claim, impose inconvenient requirements, take too long to process the repair, etc.

Instead of buying an extended warranty, Consumer Reports recommends:

Buying reliable products: Check user and expert reviews online to find out how likely the product you're considering is to have problems (and how the retailer or manufacturer deals with them).

Reading the manufacturer's warranty before buying: Look for one that provides good coverage for a reasonably long period (at least a year).

Understanding the retailer's return policy: Look for one where the company stands behind the products it sells rather than just directing you to the manufacturer if you have a problem.

Self-insuring: Set aside the money you'd spend on an extended warranty so that it's there if you need to pay for a repair or replacement. (Before

paying out of pocket, though, contact the manufacturer, retailer and/or your credit card to see if they will help.)

Smartphone insurance

Smartphone insurance covers things not covered under warranty, such as loss, theft and accidental damage, though not every policy covers all of these types of claims.

Insurance may be worth it if you:

- Have a very expensive phone and tend to upgrade regularly
- Have a history of losing or damaging your devices
- Have multiple expensive phones in the family
- Would have a hard time paying for a repair or replacement out of pocket

The coverage is offered by many traditional insurers (sometimes under a different name—for example, Square Trade is an Allstate company) as well as smaller companies that specialize in these types of insurance products. When insurance is offered by the device manufacturer, your wireless carrier or the retailer, it typically is provided by one of these insurance companies.

Coverage cost and terms can vary widely, so shop around and understand exactly what will be covered and what will be excluded. Some questions you should get answers for are:

- Is the premium charged monthly (and you can cancel at any time), or do you prepay for a longer period?
- What is covered and what is excluded? Specifically, are you covered if the phone is lost? Stolen? Damaged by something you do (drop it, leave it in the hot sun, spill on it, etc.)?
- How much is the deductible (the amount you must pay out of pocket before the insurer pays) at different premium amounts? (On all types of insurance, the lower the premium, the higher the deductible.) Is the deductible different for different types of claims (theft versus damage, for example)?
- What is the claims process? What types of documents (receipt, police report, etc.) are

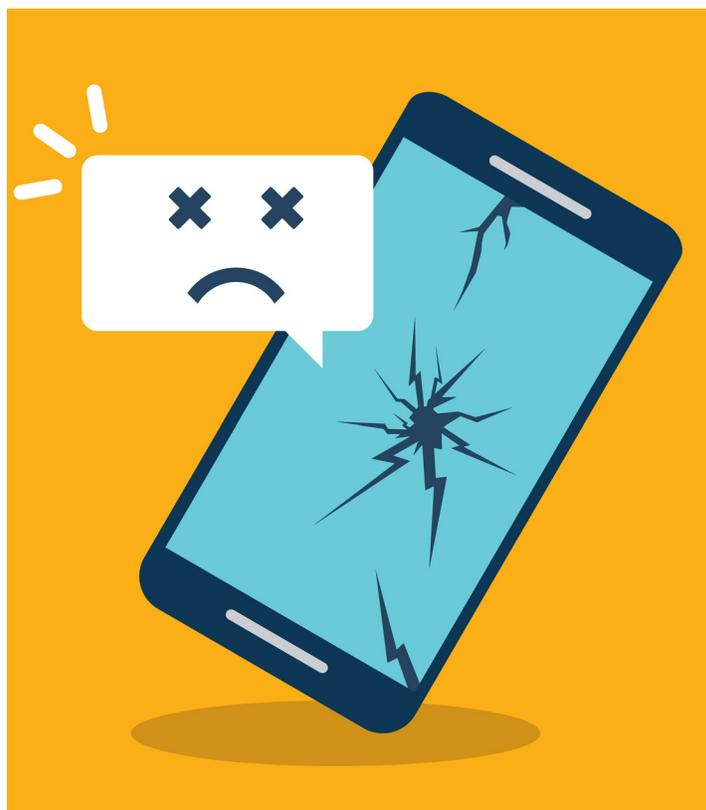
required? Is there a limit on the number of claims you can file?

■ Under what circumstances are claims denied?

■ If your claim is approved, will you receive a repair or a replacement? If a replacement, will it be a new phone of the same type? A refurbished phone? A different model? What is the turnaround time for a typical claim?

Insurance is probably not worthwhile if you usually buy lower-cost models and/or keep your phone for years. Also, if what you're mainly worried about is a cracked or scratched screen (rather than loss, theft or major damage), then it will almost certainly be less expensive for you to pay for the screen repair yourself rather than pay continuous insurance premiums.

If you have homeowners or renters insurance, your policy might cover theft of your smartphone or damages caused in covered incidents (like a home fire). However, you may have a high enough deductible that any repair (or the cost of a new phone) wouldn't be covered. Even if the repair or replacement cost does exceed the deductible, you should consider if it's worth filing a claim, since a claim often can trigger a



premium increase. Check your policy to find out what type of coverage you have, if any, for your smartphone.

Some credit cards include cell phone protection/insurance for a damaged or stolen device if you pay your monthly wireless service bill with the card. While the benefit can be attractive, you shouldn't choose a credit card based on just this feature, and the cards that offer it may require a strong credit score to qualify and/or charge an annual fee. For a list of some cards that offer cell phone protection, visit the NerdWallet website (<https://www.nerdwallet.com/article/credit-cards/credit-cards-with-cell-phone-insurance>).

You could self-insure: Put the money you would pay for insurance aside to cover the cost of a future repair or replacement. If you don't ever need to use it, you can put the money toward a new phone when you're ready to upgrade (something you can't do with insurance premiums you've paid).

Consumer warranty laws

The Magnuson-Moss Warranty Act (<https://www.findlaw.com/consumer/consumer-transactions/warranty-laws-and-the-magnuson-moss-warranty-act.html>) is the federal law that governs product warranties. The Act does not require any business to provide a written war-

Right to Repair

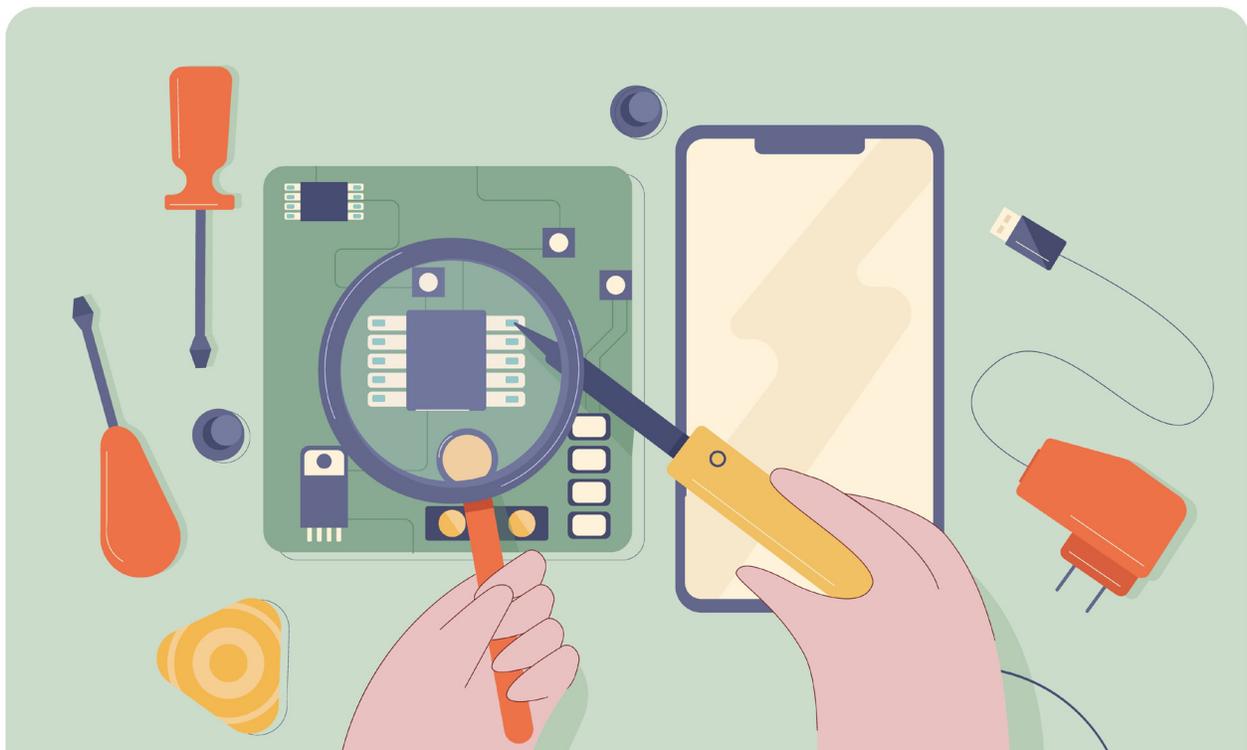
Many companies claim that their warranties are voided when consumers attempt their own repairs, use an independent repair shop or use off-brand replacement parts. Such claims are illegal under federal law.

Some companies also further discourage—or prevent—consumers from repairing their devices independently (not through the manufacturer) by withholding the needed manuals, parts or tools.

A number of states, including California, and the federal government are considering "Right to Repair" legislation, which would require electronics manufacturers to provide the needed diagnostic/repair information and parts to product owners and independent repair shops (<https://www.bmc.com/blogs/right-to-repair/>).

Learn more and support the effort: <https://www.repair.org/stand-up>.

ranty. However, once a business decides to offer a written warranty on a consumer product, it must comply with the Act.



Among other things, the Magnuson-Moss Warranty Act:

- Requires manufacturers and sellers who *do* provide written product warranties to clearly disclose and describe the warranty terms in a single, clear, easily readable document (for products over \$15).
- Requires that the warranty be available where the product is sold so that consumers can read it before purchasing (for products over \$15).
- Prohibits anyone offering a written warranty from disclaiming or modifying the “implied warranty of merchantability”—the unwritten understanding that the product will be free of defects and operate as expected (see “State protections,” below).
- Requires the company providing the warranty to title the warranty as either “full” or “limited (for products over \$10). Among other limits that may be imposed, a limited warranty restricts an implied warranty to the duration of the written warranty. (See “State protections” section, below, for the definition of an “implied warranty.”)
- Prohibits statements or implications that the consumer of a warranted product must buy or use a particular product or service from a particular company or else risk losing the warranty coverage. (For example, a phone manufacturer can’t require you to buy and use one of its own phone cases in order for the warranty to be valid.)

State protections

States can establish their own warranty laws, which means that consumer rights and protections vary from state to state, and some states have stronger protections than federal law provides.

Under the Uniform Commercial Code, in all states except Louisiana, most products sold by merchants automatically come with an “implied warranty of merchantability” (<https://www.findlaw.com/consumer/consumer-transactions/what-is-the-warranty-of-merchantability.html>). This is the unwritten understanding that the product purchased is free of defects and will satisfy a buyer’s reasonable expecta-

tions regarding functionality and durability, for four years in some states and for as long as any express warranty lasts in others. This applies to new and used goods, but it doesn’t apply to casual sellers, such as someone selling a single phone on eBay.

Many states allow an exception to the “implied warranty of merchantability” for items sold “as is.” In Connecticut, Kansas, Maine, Maryland, Massachusetts, Minnesota, Mississippi, New Hampshire, Vermont, Washington, West Virginia and Washington, D.C., however, you’re covered regardless of “as is” language (<https://www.consumer-reports.org/cro/magazine/2013/05/the-word-on-warranty-protection/index.htm>).

To learn about your state’s product warranty laws, do an online search for the state name plus “warranty laws.”

Additional rights for Californians

The California Song-Beverly Consumer Warranty Act (<https://www.severson.com/wp-content/uploads/2019/08/The-California-Song-Beverly-Consumer-Warranty-Act-Overview-w-019-7946.pdf>) applies to the sale of consumer goods in the state. Among other things, Song-Beverly requires manufacturers giving a written warranty to maintain either its own repair facilities or independently contracted service and repair facilities reasonably close to where its products are sold. It also extends the manufacturer’s warranty while the product is in for repairs, and for any repair delays not caused by the buyer. The warranty does not expire until the defect has been fixed, or a refund or replacement has been made (required after a “reasonable” number of service or repair attempts fail).

California does allow “as is” sales, as long as the seller makes it clear, in writing, that there is no implied warranty of merchantability and that the entire cost of any needed servicing or repair is the buyer’s responsibility (<https://law.justia.com/codes/california/2009/civ/1792-1795.8.html>).

Making a claim

If you need to make a claim, read the warranty to find out not only what the process is, but also whether your issue is likely to be covered, what information and/or documentation you should be prepared to provide, and any other details

that would help you avoid having your claim rejected. If the warranty doesn't indicate who to contact, start with the retailer, which might refer you to the manufacturer. Depending on the company, you might be able to start the claim online, by email, in person and/or by phone.

The best way to avoid a hassle is to report the issue as soon as possible after you buy the phone—retailers are more likely to be lenient when returns are made soon after purchase. That doesn't mean, though, that you should not contact the retailer and manufacturer about defects discovered much later—even after the warranty has expired. (Some companies will honor the warranty after expiration if they are aware of a widespread problem with the device, or as a goodwill gesture.)

If you have to ship the phone to the manufacturer or a repair center, you may be provided a free shipping label. Some companies also offer loaners, so that you're not left without a device while yours is being evaluated and repaired or replaced.

If you report a defect to the company during the warranty period but the product isn't repaired properly, the company must correct the problem, even if your warranty expires before the product is fixed (<https://consumer.ftc.gov/articles/warranties#resolving>).

If you're dissatisfied

If you are within the warranty period and believe you have a covered problem with your device but can't get the retailer or manufacturer to approve your claim, see if you can escalate your problem up the corporate ladder. (Find company contacts at Elliott.org [<https://www.elliott.org/company-contacts/>].) Social media and review sites are an-

other avenue that often gets results—companies often monitor these sites and are eager to resolve complaints before they create bad publicity or damage their brands. If that fails, you could file a complaint with your state attorney general (<https://www.naag.org>) or consumer protection office (<https://www.usa.gov/state-consumer>). Consumer Action's free "How to Complain" guide offers these and other tips for getting results (<https://www.consumer-action.org/english/articles/how-to-complain>).

Federal law allows you to seek a chargeback (reversal of the charge) when there are certain types of problems with items purchased using your credit card. The Consumer Financial Protection Bureau (CFPB) outlines the general guidelines for chargebacks on its website (<https://www.consumerfinance.gov/ask-cfpb/how-can-i-get-a-refund-on-a-product-or-service-i-purchased-with-my-credit-card-en-1969/>).

You could take the company to small claims court (<https://www.nolo.com/legal-encyclopedia/warranty-rights-faq.html#answer-1743693>). Just the threat of a lawsuit might be enough to motivate the company to take another look at your complaint and resolve the problem. You can search for consumer attorneys on the National Association of Consumer Advocates website (<https://www.consumeradvocates.org>).

To find out if your phone is the subject of a product recall, check the manufacturer's website, ask the retailer, or do a search for your phone model at SaferProducts.gov (<https://www.saferproducts.gov>).

Report violations of your warranty rights, such as a refusal to let you read the warranty before purchase, to the FTC (<https://reportfraud.ftc.gov/#/>). The agency won't respond individually to your complaint, but if enough people have the same problem, it might take action against the company. ■

About Consumer Action

www.consumer-action.org

Through education and advocacy, Consumer Action fights for strong consumer rights and policies that promote fairness and financial prosperity for underrepresented consumers nationwide.

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