



A VL real life claim example

Statutory Liability

Brief Scenarios #1

Building Act

A property owner changed the use of his premises without obtaining proper consent. Although the building was situated in a commercial zone and was used partially for commercial purposes, the local authority discovered that part of the building was being let out for residential purposes. The property owner was prosecuted and fined for breaches of the Building Act.

Credit Contracts Act

A finance company pleaded guilty to 17 breaches of the Credit Contracts and Consumer Finance Act 2003, resulting from inadequate disclosure of the terms and conditions of its loans. The contracts were unenforceable because of this. The finance company also pleaded guilty to further charges of breaching the Act by telling the customers that the contracts were enforceable. The Court found that documents provided by the finance company had been faxed and photocopied, and in some cases were so distorted that they were impossible to read. The company was fined \$60,000.

Fair Trading Act

A clothing importer and retailer was prosecuted and fined \$15,000 for failing to affix country of origin labelling to clothing sold in New Zealand.

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