



Sale of Goods Act 1979

1979 CHAPTER 54

PART II

FORMATION OF THE CONTRACT

[^{F1}Implied terms etc.]

12 Implied terms about title, etc.

- (1) In a contract of sale, other than one to which subsection (3) below applies, there is an implied [^{F1}term] on the part of the seller that in the case of a sale he has a right to sell the goods, and in the case of an agreement to sell he will have such a right at the time when the property is to pass.
- (2) In a contract of sale, other than one to which subsection (3) below applies, there is also an implied [^{F1}term] that—
 - (a) the goods are free, and will remain free until the time when the property is to pass, from any charge or encumbrance not disclosed or known to the buyer before the contract is made, and
 - (b) the buyer will enjoy quiet possession of the goods except so far as it may be disturbed by the owner or other person entitled to the benefit of any charge or encumbrance so disclosed or known.
- (3) This subsection applies to a contract of sale in the case of which there appears from the contract or is to be inferred from its circumstances an intention that the seller should transfer only such title as he or a third person may have.
- (4) In a contract to which subsection (3) above applies there is an implied [^{F1}term] that all charges or encumbrances known to the seller and not known to the buyer have been disclosed to the buyer before the contract is made.
- (5) In a contract to which subsection (3) above applies there is also an implied [^{F1}term] that none of the following will disturb the buyer's quiet possession of the goods, namely—
 - (a) the seller;

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- (b) in a case where the parties to the contract intend that the seller should transfer only such title as a third person may have, that person;
- (c) anyone claiming through or under the seller or that third person otherwise than under a charge or encumbrance disclosed or known to the buyer before the contract is made.

[^{F2}(5A) As regards England and Wales and Northern Ireland, the term implied by subsection (1) above is a condition and the terms implied by subsections (2), (4) and (5) above are warranties.]

(6) Paragraph 3 of Schedule 1 below applies in relation to a contract made before 18 May 1973.

[^{F3}(7) This section does not apply to a contract to which Chapter 2 of Part 1 of the Consumer Rights Act 2015 applies (but see the provision made about such contracts in section 17 of that Act).]

Textual Amendments

- F1** Words in s. 12(1)(2)(4)(5) substituted (3.1.1995) by 1994 c. 35, ss. 7(1), 8(2), **Sch. 2 para. 5(3)(a)** (with s. 8(3)).
- F2** S. 12(5A) inserted (3.1.1995) by 1994 c. 35, ss. 7(1), 8(2), **Sch. 2 para. 5(3)(b)** (with s. 8(3)).
- F3** S. 12(7) inserted (1.10.2015) by Consumer Rights Act 2015 (c. 15), s. 100(5), **Sch. 1 para. 11**; S.I. 2015/1630, art. 3(g) (with art. 6(1))

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