



# Sale of Goods (Amendment) Act 1995

## 1995 CHAPTER 28

An Act to amend the law relating to the sale of unascertained goods forming part of an identified bulk and the sale of undivided shares in goods. [19th July 1995]

Be it enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

### **1 Unascertained goods forming part of an identified bulk**

- (1) At the beginning of section 16 of the Sale of Goods Act 1979 (“the 1979 Act”) there shall be added the words “Subject to section 20A below”.
- (2) In section 18 of the 1979 Act, at the end of rule 5 there shall be added the following—
  - “(3) Where there is a contract for the sale of a specified quantity of unascertained goods in a deliverable state forming part of a bulk which is identified either in the contract or by subsequent agreement between the parties and the bulk is reduced to (or to less than) that quantity, then, if the buyer under that contract is the only buyer to whom goods are then due out of the bulk—
    - (a) the remaining goods are to be taken as appropriated to that contract at the time when the bulk is so reduced; and
    - (b) the property in those goods then passes to that buyer.
  - (4) Paragraph (3) above applies also (with the necessary modifications) where a bulk is reduced to (or to less than) the aggregate of the quantities due to a single buyer under separate contracts relating to that bulk and he is the only buyer to whom goods are then due out of that bulk.”.
- (3) After section 20 of the 1979 Act there shall be inserted the following—

**“20A Undivided shares in goods forming part of a bulk**

- (1) This section applies to a contract for the sale of a specified quantity of unascertained goods if the following conditions are met—
  - (a) the goods or some of them form part of a bulk which is identified either in the contract or by subsequent agreement between the parties; and
  - (b) the buyer has paid the price for some or all of the goods which are the subject of the contract and which form part of the bulk.
- (2) Where this section applies, then (unless the parties agree otherwise), as soon as the conditions specified in paragraphs (a) and (b) of subsection (1) above are met or at such later time as the parties may agree—
  - (a) property in an undivided share in the bulk is transferred to the buyer, and
  - (b) the buyer becomes an owner in common of the bulk.
- (3) Subject to subsection (4) below, for the purposes of this section, the undivided share of a buyer in a bulk at any time shall be such share as the quantity of goods paid for and due to the buyer out of the bulk bears to the quantity of goods in the bulk at that time.
- (4) Where the aggregate of the undivided shares of buyers in a bulk determined under subsection (3) above would at any time exceed the whole of the bulk at that time, the undivided share in the bulk of each buyer shall be reduced proportionately so that the aggregate of the undivided shares is equal to the whole bulk.
- (5) Where a buyer has paid the price for only some of the goods due to him out of a bulk, any delivery to the buyer out of the bulk shall, for the purposes of this section, be ascribed in the first place to the goods in respect of which payment has been made.
- (6) For the purposes of this section payment of part of the price for any goods shall be treated as payment for a corresponding part of the goods.

**20B Deemed consent by co-owner to dealings in bulk goods**

- (1) A person who has become an owner in common of a bulk by virtue of section 20A above shall be deemed to have consented to—
  - (a) any delivery of goods out of the bulk to any other owner in common of the bulk, being goods which are due to him under his contract;
  - (b) any dealing with or removal, delivery or disposal of goods in the bulk by any other person who is an owner in common of the bulk in so far as the goods fall within that co-owner's undivided share in the bulk at the time of the dealing, removal, delivery or disposal.
- (2) No cause of action shall accrue to anyone against a person by reason of that person having acted in accordance with paragraph (a) or (b) of subsection (1) above in reliance on any consent deemed to have been given under that subsection.
- (3) Nothing in this section or section 20A above shall—

- (a) impose an obligation on a buyer of goods out of a bulk to compensate any other buyer of goods out of that bulk for any shortfall in the goods received by that other buyer;
- (b) affect any contractual arrangement between buyers of goods out of a bulk for adjustments between themselves; or
- (c) affect the rights of any buyer under his contract.”.

## **2 Additional provisions**

In section 61(1) of the 1979 Act—

- (a) after the definition of “action” there shall be inserted the following definition—

““bulk” means a mass or collection of goods of the same kind which—

- (a) is contained in a defined space or area; and
  - (b) is such that any goods in the bulk are interchangeable with any other goods therein of the same number or quantity;”;
- (b) at the end of the definition of “delivery” there shall be added the words “except that in relation to sections 20A and 20B above it includes such appropriation of goods to the contract as results in property in the goods being transferred to the buyer;”;
  - (c) at the end of the definition of “goods” there shall be added the words “and includes an undivided share in goods;”;
  - (d) at the end of the definition of “specific goods” there shall be added the words “and includes an undivided share, specified as a fraction or percentage, of goods identified and agreed on as aforesaid”.

## **3 Short title, commencement and extent**

- (1) This Act may be cited as the Sale of Goods (Amendment) Act 1995.
- (2) This Act shall come into force at the end of the period of two months beginning with the day on which it is passed; but nothing in this Act shall have effect in relation to any contract concluded before the coming into force of this Act.
- (3) This Act extends to Northern Ireland.