

**2002 No. 3045**

**CONSUMER PROTECTION**

**The Sale and Supply of Goods to Consumers  
Regulations 2002**

<i>Made - - - - -</i>	<i>10th December 2002</i>
<i>Laid before Parliament</i>	<i>11th December 2002</i>
<i>Coming into force - -</i>	<i>31st March 2003</i>

The Secretary of State, being a Minister designated<sup>(a)</sup> for the purposes of section 2(2) of the European Communities Act 1972<sup>(b)</sup> in relation to measures relating to consumer protection, in exercise of the powers conferred on her by that subsection, makes the following Regulations:

**Title, commencement and extent**

1.—(1) These Regulations may be cited as the Sale and Supply of Goods to Consumers Regulations 2002 and shall come into force on 31st March 2003.

(2) These Regulations extend to Northern Ireland.

**Interpretation**

2. In these Regulations—

“consumer” means any natural person who, in the contracts covered by these Regulations, is acting for purposes which are outside his trade, business or profession;

“consumer guarantee” means any undertaking to a consumer by a person acting in the course of his business, given without extra charge, to reimburse the price paid or to replace, repair or handle consumer goods in any way if they do not meet the specifications set out in the guarantee statement or in the relevant advertising;

“court” in relation to England and Wales and Northern Ireland means a county court or the High Court, and in relation to Scotland, the sheriff or the Court of Session;

“enforcement authority” means the Director General of Fair Trading, every local weights and measures authority in Great Britain and the Department of Enterprise, Trade and Investment for Northern Ireland;

“goods” has the same meaning as in section 61 of the Sale of Goods Act 1979<sup>(c)</sup>;

“guarantor” means a person who offers a consumer guarantee to a consumer; and

“supply” includes supply by way of sale, lease, hire or hire-purchase.

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(a) S.I. 1993/2661.  
(b) 1972 c. 68.  
(c) 1979 c. 54.

## Amendments to the Sale of Goods Act 1979

### Additional implied terms in consumer cases

3.—(1) Section 14 of the Sale of Goods Act 1979 is amended as follows.

(2) After subsection (2C) insert—

“(2D) If the buyer deals as consumer or, in Scotland, if a contract of sale is a consumer contract, the relevant circumstances mentioned in subsection (2A) above include any public statements on the specific characteristics of the goods made about them by the seller, the producer or his representative, particularly in advertising or on labelling.

(2E) A public statement is not by virtue of subsection (2D) above a relevant circumstance for the purposes of subsection (2A) above in the case of a contract of sale, if the seller shows that—

- (a) at the time the contract was made, he was not, and could not reasonably have been, aware of the statement,
- (b) before the contract was made, the statement had been withdrawn in public or, to the extent that it contained anything which was incorrect or misleading, it had been corrected in public, or
- (c) the decision to buy the goods could not have been influenced by the statement.

(2F) Subsections (2D) and (2E) above do not prevent any public statement from being a relevant circumstance for the purposes of subsection (2A) above (whether or not the buyer deals as consumer or, in Scotland, whether or not the contract of sale is a consumer contract) if the statement would have been such a circumstance apart from those subsections.”.

### Amendments to rules on passing of risk and acceptance of goods in consumer cases

4.—(1) Section 20 of the Sale of Goods Act 1979 is amended as follows. For the marginal note there is substituted “Passing of risk”.

(2) After subsection (3) there is inserted—

“(4) In a case where the buyer deals as consumer or, in Scotland, where there is a consumer contract in which the buyer is a consumer, subsections (1) to (3) above must be ignored and the goods remain at the seller’s risk until they are delivered to the consumer.”.

(3) In section 32 of the Sale of Goods Act 1979, after subsection (3) there is inserted—

“(4) In a case where the buyer deals as consumer or, in Scotland, where there is a consumer contract in which the buyer is a consumer, subsections (1) to (3) above must be ignored, but if in pursuance of a contract of sale the seller is authorised or required to send the goods to the buyer, delivery of the goods to the carrier is not delivery of the goods to the buyer.”.

### Buyer’s additional remedies in consumer cases

5. After Part 5 of the Sale of Goods Act 1979 insert—

## “PART 5A

### ADDITIONAL RIGHTS OF BUYER IN CONSUMER CASES

#### 48A Introductory

(1) This section applies if—

- (a) the buyer deals as consumer or, in Scotland, there is a consumer contract in which the buyer is a consumer, and
- (b) the goods do not conform to the contract of sale at the time of delivery.

(2) If this section applies, the buyer has the right—

- (a) under and in accordance with section 48B below, to require the seller to repair or replace the goods, or

- (b) under and in accordance with section 48C below—
  - (i) to require the seller to reduce the purchase price of the goods to the buyer by an appropriate amount, or
  - (ii) to rescind the contract with regard to the goods in question.

(3) For the purposes of subsection (1)(b) above goods which do not conform to the contract of sale at any time within the period of six months starting with the date on which the goods were delivered to the buyer must be taken not to have so conformed at that date.

- (4) Subsection (3) above does not apply if—
  - (a) it is established that the goods did so conform at that date;
  - (b) its application is incompatible with the nature of the goods or the nature of the lack of conformity.

#### **48B Repair or replacement of the goods**

- (1) If section 48A above applies, the buyer may require the seller—
  - (a) to repair the goods, or
  - (b) to replace the goods.
- (2) If the buyer requires the seller to repair or replace the goods, the seller must—
  - (a) repair or, as the case may be, replace the goods within a reasonable time but without causing significant inconvenience to the buyer;
  - (b) bear any necessary costs incurred in doing so (including in particular the cost of any labour, materials or postage).
- (3) The buyer must not require the seller to repair or, as the case may be, replace the goods if that remedy is—
  - (a) impossible, or
  - (b) disproportionate in comparison to the other of those remedies, or
  - (c) disproportionate in comparison to an appropriate reduction in the purchase price under paragraph (a), or rescission under paragraph (b), of section 48C(1) below.
- (4) One remedy is disproportionate in comparison to the other if the one imposes costs on the seller which, in comparison to those imposed on him by the other, are unreasonable, taking into account—
  - (a) the value which the goods would have if they conformed to the contract of sale,
  - (b) the significance of the lack of conformity, and
  - (c) whether the other remedy could be effected without significant inconvenience to the buyer.
- (5) Any question as to what is a reasonable time or significant inconvenience is to be determined by reference to—
  - (a) the nature of the goods, and
  - (b) the purpose for which the goods were acquired.

#### **48C Reduction of purchase price or rescission of contract**

- (1) If section 48A above applies, the buyer may—
  - (a) require the seller to reduce the purchase price of the goods in question to the buyer by an appropriate amount, or
  - (b) rescind the contract with regard to those goods,if the condition in subsection (2) below is satisfied.
- (2) The condition is that—
  - (a) by virtue of section 48B(3) above the buyer may require neither repair nor replacement of the goods; or
  - (b) the buyer has required the seller to repair or replace the goods, but the seller is in breach of the requirement of section 48B(2)(a) above to do so within a reasonable time and without significant inconvenience to the buyer.
- (3) For the purposes of this Part, if the buyer rescinds the contract, any reimbursement to the buyer may be reduced to take account of the use he has had of the goods since they were delivered to him.

#### **48D Relation to other remedies etc.**

(1) If the buyer requires the seller to repair or replace the goods the buyer must not act under subsection (2) until he has given the seller a reasonable time in which to repair or replace (as the case may be) the goods.

(2) The buyer acts under this subsection if—

- (a) in England and Wales or Northern Ireland he rejects the goods and terminates the contract for breach of condition;
- (b) in Scotland he rejects any goods delivered under the contract and treats it as repudiated;
- (c) he requires the goods to be replaced or repaired (as the case may be).

#### **48E Powers of the court**

(1) In any proceedings in which a remedy is sought by virtue of this Part the court, in addition to any other power it has, may act under this section.

(2) On the application of the buyer the court may make an order requiring specific performance or, in Scotland, specific implement by the seller of any obligation imposed on him by virtue of section 48B above.

(3) Subsection (4) applies if—

- (a) the buyer requires the seller to give effect to a remedy under section 48B or 48C above or has claims to rescind under section 48C, but
- (b) the court decides that another remedy under section 48B or 48C is appropriate.

(4) The court may proceed—

- (a) as if the buyer had required the seller to give effect to the other remedy, or if the other remedy is rescission under section 48C
- (b) as if the buyer had claimed to rescind the contract under that section.

(5) If the buyer has claimed to rescind the contract the court may order that any reimbursement to the buyer is reduced to take account of the use he has had of the goods since they were delivered to him.

(6) The court may make an order under this section unconditionally or on such terms and conditions as to damages, payment of the price and otherwise as it thinks just.

#### **48F Conformity with the contract**

For the purposes of this Part, goods do not conform to a contract of sale if there is, in relation to the goods, a breach of an express term of the contract or a term implied by section 13, 14 or 15 above.”.

#### **Other amendments to the 1979 Act**

6.—(1) In section 61(1) after the definition of “plaintiff” there is inserted—

““producer” means the manufacturer of goods, the importer of goods into the European Economic Area or any person purporting to be a producer by placing his name, trade mark or other distinctive sign on the goods;”;

(2) in section 61(1) after the definition of “property” there is inserted—

““repair” means, in cases where there is a lack of conformity in goods for the purposes of section 48F of this Act, to bring the goods into conformity with the contract;”.

### **AMENDMENTS TO THE SUPPLY OF GOODS AND SERVICES ACT 1982**

#### **Additional implied terms in cases where goods are transferred to consumers—England, Wales and Northern Ireland**

7.—(1) Section 4 of the Supply of Goods and Services Act 1982(a) is amended as follows.

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(a) 1982 c. 29.

(2) After subsection (2A) insert—

“(2B) If the transferee deals as consumer, the relevant circumstances mentioned in subsection (2A) above include any public statements on the specific characteristics of the goods made about them by the transferor, the producer or his representative, particularly in advertising or on labelling.

(2C) A public statement is not by virtue of subsection (2B) above a relevant circumstance for the purposes of subsection (2A) above in the case of a contract for the transfer of goods, if the transferor shows that—

- (a) at the time the contract was made, he was not, and could not reasonably have been, aware of the statement,
- (b) before the contract was made, the statement had been withdrawn in public or, to the extent that it contained anything which was incorrect or misleading, it had been corrected in public, or
- (c) the decision to acquire the goods could not have been influenced by the statement.

(2D) Subsections (2B) and (2C) above do not prevent any public statement from being a relevant circumstance for the purposes of subsection (2A) above (whether or not the transferee deals as consumer) if the statement would have been such a circumstance apart from those subsections.”.

#### **Additional implied terms in cases where goods are transferred to consumers—Scotland**

8.—(1) Section 11D of the Supply of Goods and Services Act 1982 is amended as follows.

(2) After subsection (3) insert—

“(3A) If the contract for the transfer of goods is a consumer contract, the relevant circumstances mentioned in subsection (3) above include any public statements on the specific characteristics of the goods made about them by the transferor, the producer or his representative, particularly in advertising or on labelling.

(3B) A public statement is not by virtue of subsection (3A) above a relevant circumstance for the purposes of subsection (3) above in the case of a contract for the transfer of goods, if the transferor shows that—

- (a) at the time the contract was made, he was not, and could not reasonably have been, aware of the statement,
- (b) before the contract was made, the statement had been withdrawn in public or, to the extent that it contained anything which was incorrect or misleading, it had been corrected in public, or
- (c) the decision to acquire the goods could not have been influenced by the statement.

(3C) Subsections (3A) and (3B) above do not prevent any public statement from being a relevant circumstance for the purposes of subsection (3) above (whether or not the contract for the transfer of goods is a consumer contract) if the statement would have been such a circumstance apart from those subsections.”.

(3) After subsection (9) insert—

“(10) For the purposes of this section, “consumer contract” has the same meaning as in section 11F(3) below.”.

#### **Transferee’s additional remedies in consumer cases**

9.—(1) After Part 1A of the Supply of Goods and Services Act 1982 insert—

## “PART 1B

### ADDITIONAL RIGHTS OF TRANSFeree IN CONSUMER CASES

#### **11M Introductory**

- (1) This section applies if—
  - (a) the transferee deals as consumer or, in Scotland, there is a consumer contract in which the transferee is a consumer, and
  - (b) the goods do not conform to the contract for the transfer of goods at the time of delivery.
- (2) If this section applies, the transferee has the right—
  - (a) under and in accordance with section 11N below, to require the transferor to repair or replace the goods, or
  - (b) under and in accordance with section 11P below—
    - (i) to require the transferor to reduce the amount to be paid for the transfer by the transferee by an appropriate amount, or
    - (ii) to rescind the contract with regard to the goods in question.
- (3) For the purposes of subsection (1)(b) above, goods which do not conform to the contract for the transfer of goods at any time within the period of six months starting with the date on which the goods were delivered to the transferee must be taken not to have so conformed at that date.
- (4) Subsection (3) above does not apply if—
  - (a) it is established that the goods did so conform at that date;
  - (b) its application is incompatible with the nature of the goods or the nature of the lack of conformity.
- (5) For the purposes of this section, “consumer contract” has the same meaning as in section 11F(3) above.

#### **11N Repair or replacement of the goods**

- (1) If section 11M above applies, the transferee may require the transferor—
  - (a) to repair the goods, or
  - (b) to replace the goods.
- (2) If the transferee requires the transferor to repair or replace the goods, the transferor must—
  - (a) repair or, as the case may be, replace the goods within a reasonable time but without causing significant inconvenience to the transferee;
  - (b) bear any necessary costs incurred in doing so (including in particular the cost of any labour, materials or postage).
- (3) The transferee must not require the transferor to repair or, as the case may be, replace the goods if that remedy is—
  - (a) impossible,
  - (b) disproportionate in comparison to the other of those remedies, or
  - (c) disproportionate in comparison to an appropriate reduction in the purchase price under paragraph (a), or rescission under paragraph (b), of section 11P(1) below.
- (4) One remedy is disproportionate in comparison to the other if the one imposes costs on the transferor which, in comparison to those imposed on him by the other, are unreasonable, taking into account—
  - (a) the value which the goods would have if they conformed to the contract for the transfer of goods,
  - (b) the significance of the lack of conformity to the contract for the transfer of goods, and
  - (c) whether the other remedy could be effected without significant inconvenience to the transferee.

(5) Any question as to what is a reasonable time or significant inconvenience is to be determined by reference to—

- (a) the nature of the goods, and
- (b) the purpose for which the goods were acquired.

#### **11P Reduction of purchase price or rescission of contract**

(1) If section 11M above applies, the transferee may—

- (a) require the transferor to reduce the purchase price of the goods in question to the transferee by an appropriate amount, or
- (b) rescind the contract with regard to those goods,

if the condition in subsection (2) below is satisfied.

(2) The condition is that—

- (a) by virtue of section 11N(3) above the transferee may require neither repair nor replacement of the goods, or
- (b) the transferee has required the transferor to repair or replace the goods, but the transferor is in breach of the requirement of section 11N(2)(a) above to do so within a reasonable time and without significant inconvenience to the transferee.

(3) If the transferee rescinds the contract, any reimbursement to the transferee may be reduced to take account of the use he has had of the goods since they were delivered to him.

#### **11Q Relation to other remedies etc.**

(1) If the transferee requires the transferor to repair or replace the goods the transferee must not act under subsection (2) until he has given the transferor a reasonable time in which to repair or replace (as the case may be) the goods.

(2) The transferee acts under this subsection if—

- (a) in England and Wales or Northern Ireland he rejects the goods and terminates the contract for breach of condition;
- (b) in Scotland he rejects any goods delivered under the contract and treats it as repudiated; or
- (c) he requires the goods to be replaced or repaired (as the case may be).

#### **11R Powers of the court**

(1) In any proceedings in which a remedy is sought by virtue of this Part the court, in addition to any other power it has, may act under this section.

(2) On the application of the transferee the court may make an order requiring specific performance or, in Scotland, specific implement by the transferor of any obligation imposed on him by virtue of section 11N above.

(3) Subsection (4) applies if—

- (a) the transferee requires the transferor to give effect to a remedy under section 11N or 11P above or has claims to rescind under section 11P, but
- (b) the court decides that another remedy under section 11N or 11P is appropriate.

(4) The court may proceed—

- (a) as if the transferee had required the transferor to give effect to the other remedy, or if the other remedy is rescission under section 11P,
- (b) as if the transferee had claimed to rescind the contract under that section.

(5) If the transferee has claimed to rescind the contract the court may order that any reimbursement to the transferee is reduced to take account of the use he has had of the goods since they were delivered to him.

(6) The court may make an order under this section unconditionally or on such terms and conditions as to damages, payment of the price and otherwise as it thinks just.

#### **11S Conformity with the contract**

(1) Goods do not conform to a contract for the supply or transfer of goods if—

- (a) there is, in relation to the goods, a breach of an express term of the contract or a term implied by section 3, 4 or 5 above or, in Scotland, by section 11C, 11D or 11E above, or

- (b) installation of the goods forms part of the contract for the transfer of goods, and the goods were installed by the transferor, or under his responsibility, in breach of the term implied by section 13 below or (in Scotland) in breach of any term implied by any rule of law as to the manner in which the installation is carried out.”.

**Additional implied terms where goods are hired to consumers—England, Wales and Northern Ireland**

10.—(1) Section 9 of the Supply of Goods and Services Act 1982 is amended as follows.

(2) After subsection (2A) insert—

“(2B) If the bailee deals as consumer, the relevant circumstances mentioned in subsection (2A) above include any public statements on the specific characteristics of the goods made about them by the bailor, the producer or his representative, particularly in advertising or on labelling.

(2C) A public statement is not by virtue of subsection (2B) above a relevant circumstance for the purposes of subsection (2A) above in the case of a contract for the hire of goods, if the bailor shows that—

- (a) at the time the contract was made, he was not, and could not reasonably have been, aware of the statement,
- (b) before the contract was made, the statement had been withdrawn in public or, to the extent that it contained anything which was incorrect or misleading, it had been corrected in public, or
- (c) the decision to acquire the goods could not have been influenced by the statement.

(2D) Subsections (2B) and (2C) above do not prevent any public statement from being a relevant circumstance for the purposes of subsection (2A) above (whether or not the bailee deals as consumer) if the statement would have been such a circumstance apart from those subsections.”.

**Additional implied terms where goods are hired to consumers—Scotland**

11.—(1) Section 11J of the Supply of Goods and Services Act 1982(a) is amended as follows.

(2) After subsection (3) insert—

“(3A) If the contract for the hire of goods is a consumer contract, the relevant circumstances mentioned in subsection (3) above include any public statements on the specific characteristics of the goods made about them by the hirer, the producer or his representative, particularly in advertising or on labelling.

(3B) A public statement is not by virtue of subsection (3A) above a relevant circumstance for the purposes of subsection (3) above in the case of a contract for the hire of goods, if the hirer shows that—

- (a) at the time the contract was made, he was not, and could not reasonably have been, aware of the statement,
- (b) by the time the contract was made, the statement had been withdrawn in public or, to the extent that it contained anything which was incorrect or misleading, it had been corrected in public, or
- (c) the decision to acquire the goods could not have been influenced by the statement.

(3C) Subsections (3A) and (3B) above do not prevent any public statement from being a relevant circumstance for the purposes of subsection (3) above (whether or not the contract for the hire of goods is a consumer contract) if the statement would have been such a circumstance apart from those subsections.”.

(3) At the end of the section add—

“(10) For the purposes of this section, “consumer contract” has the same meaning as in section 11F(3) above.”.

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(a) Section 11J was inserted by the Sale and Supply of Goods Act 1994 (c. 35).



## Other Amendments to 1982 Act

- 12.—(1) In section 18(1) after the definition of “hire purchase agreement” there is inserted—  
““producer” means the manufacturer of goods, the importer of goods into the European Economic Area or any person purporting to be a producer by placing his name, trade mark or other distinctive sign on the goods;”.
- (2) In section 18(1) after the definition of “redemption” there is inserted—  
““repair” means, in cases where there is a lack of conformity in goods for the purposes of this Act, to bring the goods into conformity with the contract.”.

## AMENDMENTS TO THE SUPPLY OF GOODS (IMPLIED TERMS) ACT 1973

### Additional implied terms in consumer cases

13.—(1) Section 10 of the Supply of Goods (Implied Terms) Act 1973(a) is amended as follows.

(2) After subsection (2C) insert—

“(2D) If the person to whom the goods are bailed or hired deals as consumer or, in Scotland, if the goods are hired to a person under a consumer contract, the relevant circumstances mentioned in subsection (2A) above include any public statements on the specific characteristics of the goods made about them by the creditor, the producer or his representative, particularly in advertising or on labelling.

(2E) A public statement is not by virtue of subsection (2D) above a relevant circumstance for the purposes of subsection (2A) above in the case of a contract of hire-purchase, if the creditor shows that—

- (a) at the time the contract was made, he was not, and could not reasonably have been, aware of the statement,
- (b) before the contract was made, the statement had been withdrawn in public or, to the extent that it contained anything which was incorrect or misleading, it had been corrected in public, or
- (c) the decision to acquire the goods could not have been influenced by the statement.

(2F) Subsections (2D) and (2E) above do not prevent any public statement from being a relevant circumstance for the purposes of subsection (2A) above (whether or not the person to whom the goods are bailed or hired deals as consumer or, in Scotland, whether or not the goods are hired to a person under a consumer contract) if the statement would have been such a circumstance apart from those subsections.”.

(3) At the end of the section add—

“(8) In Scotland, “consumer contract” in this section has the same meaning as in section 12A(3) below.”.

(4) In section 15(1) after the definition of “hire purchase agreement” there is inserted—  
““producer” means the manufacturer of goods, the importer of goods into the European Economic Area or any person purporting to be a producer by placing his name, trade mark or other distinctive sign on the goods;”.

### Amendments to the Unfair Contract Terms Act 1977

14.—(1) The Unfair Contract Terms Act 1977(b) is amended as follows.

(2) In section 12, after subsection (1) there is inserted the following subsection—

“(1A) But if the first party mentioned in subsection (1) is an individual paragraph (c) of that subsection must be ignored.”.

(3) For subsection (2) of section 12 there is substituted the following subsection—

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(a) 1973 c. 13.  
(b) 1977 c. 50.

“(2) But the buyer is not in any circumstances to be regarded as dealing as consumer—  
(a) if he is an individual and the goods are second hand goods sold at public auction at which individuals have the opportunity of attending the sale in person;  
(b) if he is not an individual and the goods are sold by auction or by competitive tender.”.

(4) In section 25—

(a) in subsection (1), the definition of “consumer contract”—

- (i) after the word “means” there is inserted “subject to subsections (1A) and (1B) below”;
- (ii) the words “(not being a contract of sale by auction or competitive tender)” are repealed.

(b) after subsection (1) there is inserted—

“(1A) Where the consumer is an individual, paragraph (b) in the definition of “consumer contract” in subsection (1) must be disregarded.

(1B) The expression of “consumer contract” does not include a contract in which—

- (a) the buyer is an individual and the goods are second hand goods sold by public auction at which individuals have the opportunity of attending in person; or
- (b) the buyer is not an individual and the goods are sold by auction or competitive tender.”.

### **Consumer guarantees**

15.—(1) Where goods are sold or otherwise supplied to a consumer which are offered with a consumer guarantee, the consumer guarantee takes effect at the time the goods are delivered as a contractual obligation owed by the guarantor under the conditions set out in the guarantee statement and the associated advertising.

(2) The guarantor shall ensure that the guarantee sets out in plain intelligible language the contents of the guarantee and the essential particulars necessary for making claims under the guarantee, notably the duration and territorial scope of the guarantee as well as the name and address of the guarantor.

(3) On request by the consumer to a person to whom paragraph (4) applies, the guarantee shall within a reasonable time be made available in writing or in another durable medium available and accessible to him.

(4) This paragraph applies to the guarantor and any other person who offers to consumers the goods which are the subject of the guarantee for sale or supply.

(5) Where consumer goods are offered with a consumer guarantee, and where those goods are offered within the territory of the United Kingdom, then the guarantor shall ensure that the consumer guarantee is written in English.

(6) If the guarantor fails to comply with the provisions of paragraphs (2) or (5) above, or a person to whom paragraph (4) applies fails to comply with paragraph (3) then the enforcement authority may apply for an injunction or (in Scotland) an order of specific implement against that person requiring him to comply.

(7) The court on application under this Regulation may grant an injunction or (in Scotland) an order of specific implement on such terms as it thinks fit.

*Melanie Johnson*  
Parliamentary Under-Secretary of State  
for Competition, Consumers and Markets,  
Department of Trade and Industry

10th December 2002

## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations implement Directive 1999/44/EC of the European Parliament and of the Council of 25th May 1999 on certain aspects of the sale of consumer goods and associated guarantees, referred to below as “the Directive” (OJ No. L 171, 7.7.99, p. 12).

The Regulations make amendments to existing legislation on the sale and supply of goods and unfair terms in order to provide additional remedies to consumers in certain circumstances. The Regulations also contain provisions on the legal status of guarantees offered to consumers and place obligations on guarantors in relation to such guarantees.

Regulation 3 makes amendments to section 14 of the Sale of Goods Act 1979 (“the 1979 Act”) in order to give effect to the provisions of Article 2 of the Directive which relate to the seller’s liability for public statements made by the seller, the producer or his representative.

Regulation 4 makes amendments to the rules in the 1979 Act governing passing of risk and acceptance of goods in consumer cases.

Regulation 5 introduces a new Part 5A into the 1979 Act in order to give effect to the new rights for consumers set out in Article 3 of the Directive. Where goods fail to conform to the contract of sale at the time of delivery, then under Part 5A the buyer firstly has the right to require the seller to repair or replace the goods within a reasonable time and without causing significant inconvenience to the buyer. If repair or replacement is impossible or disproportionate, or if the seller fails to repair or replace the goods within a reasonable time and without significant inconvenience to the buyer, then the buyer may require the seller to reduce the purchase price of the goods by an appropriate amount, or rescind the contract.

Regulations 7 and 8 make amendments to the Supply of Goods and Services Act 1982 (“the 1982 Act”) for England and Wales and Scotland respectively in order to give effect to the provisions of Article 2 of the Directive which relate to the transferor’s liability for public statements made by the transferor, the producer or his representative.

Regulation 9 introduces a new Part 1B into the 1982 Act in order to give effect to the new rights for consumers set out in Article 3 of the Directive. Where goods fail to conform to the contract of sale at the time of delivery, then under Part 1B the transferee firstly has the right to require the transferor to repair or replace the goods within a reasonable time and without causing significant inconvenience to the transferee. If repair or replacement is impossible or disproportionate, or if the transferor fails to repair or replace the goods within a reasonable time and without significant inconvenience to the transferee, then the transferee may require the transferor to reduce the purchase price of the goods by an appropriate amount, or rescind the contract.

Regulation 10 makes amendments to the 1982 Act in relation to the hire of goods by consumers in England and Wales which shadow the changes made to the 1979 Act by Regulation 3.

Regulation 11 makes amendments to the 1982 Act in relation to the hire of goods by consumers in Scotland which shadows the changes made to the 1979 Act by Regulation 3.

Regulation 13 makes amendments to the Supply of Goods (Implied Terms) Act 1973 in relation to the hire-purchase of goods by consumers which shadow the changes made to the 1979 Act by Regulation 3.

Regulation 14 makes amendments to the Unfair Contract Terms Act 1977. The definition of “Dealing as consumer” is modified in that the condition in section 12(1)(c) does not apply where the consumer is an individual. Changes are also made to section 12(2) concerning sales at auction.

Regulation 15 provides that where goods are sold or otherwise supplied to a consumer which are offered with a consumer guarantee, the consumer guarantee takes effect as a contractual obligation. The Regulation sets out the requirements for the form and content of consumer guarantees and gives powers to enforcement authorities to apply for an injunction or (in Scotland) an interdict against the guarantor or offeror in the event of non-compliance.

A transposition note setting out how the main elements of the Directive are transposed into law and a regulatory impact assessment have been placed in the libraries of both Houses of Parliament. Copies are also available from the Consumer and Competition Policy Directorate, Department of Trade and Industry, 1 Victoria Street, London SW1H 0ET.

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