

Consumer rights law, which includes the law governing contracts for goods and services and for unfair terms in consumer contracts, is currently spread across a number of pieces of legislation.

The UK Consumer Rights Bill (the Bill) recently introduced into parliament aims to make sure consumers are better informed and protected when they buy goods, services or digital content by making clearer the standards a consumer can expect when making a purchase, what action should be taken when those standards are not met and clarifying when terms are fair or unfair.

It will also seek to simplify the law relating to investigatory powers and enforcement and breaches of competition law.

The Bill has been drafted in three parts:

- Consumer contracts for Goods, Digital Content and Services;
- Unfair Terms; and
- Miscellaneous and General (i.e. investigatory and enforcement powers and competition law issues).

The proposed amendments contained in the Bill provide (in general terms) better rights and protections for consumers. Businesses should therefore ensure they understand the impact of the proposed changes.

Ten Key Points to Come Out of the Consumer Rights Bill

- 1 The Bill would repeal familiar legislation (for consumer transactions) like the Sales of Goods Act 1979, the Supply of Goods and Services Act 1982, the Supply of Goods (Implied Terms) Act 1973, the Unfair Terms in Consumer Contracts Regulations 1999 and the Unfair Contract Terms Act 1977.
- 2 Goods, digital content and services must meet the descriptions given by the trader before they are sold, so:
 - a. goods and digital content must be **fit for purpose** and be of **satisfactory quality**; and
 - b. services must be provided with **reasonable care and skill**.
- 3 A clear time period of **30 days** has been set (rather than a "reasonable period of time") for consumers to reject faulty or substandard goods and receive a full refund.
- 4 If a consumer is prepared to accept a repair or replacement, the business has one attempt (rather than an undefined number) to get it right.
- 5 The Bill would introduce a new regime relating to digital content (like software and e-books) including a provision which makes clear that the digital content must not harm the consumer's device or any existing digital content stored. If it does, the trader would have to repair the device and/or the content or provide the consumer with appropriate compensation.

- 6 A new right that a service must comply with information given by the trader, even if it is not recorded in the eventual written contract.
- 7 Clarification of which terms in a contract can be challenged in a court to decide whether or not they are fair and an ability for the Court to decide, on its own motion, whether terms are fair.
- 8 Businesses will receive notice of routine inspections from relevant enforcers, like Trading Standards, to allow them to prepare necessary arrangements.
- 9 More flexibility for Trading Standards and other public enforcement authorities to seek redress for consumers who have lost out because of consumer law breaches.
- 10 There would be faster and lower cost reparation for both businesses and consumers where breaches of competition law have disadvantaged them, including a simplified complaint handling procedure and clearer legislation.

What Happens Next?

Although the Bill has begun its parliamentary passage, it probably won't be until the second quarter of 2015 that it will be enshrined in law.

The Bill was considered by the Public Bill Committee on 13 March 2014 for further discussion; however no significant amendments have been made at this stage. The Bill's Report stage is to be held on 13 May 2014, but the date for the Third Reading in the House of Commons has yet to be announced.

About the Author

Russell Kelsall is one of the leading authorities on UK consumer law. In 2012, his book, *Consumer Credit: Law, Practice and Precedents*, was published by Law Society Publishing. He regularly advises, and provides training, on a number of consumer law issues. He is also Practical Law's consumer credit specialist and an author of Practical Law's Consumer Credit Case Reports.

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