

## The Consumer Rights Act 2015

### Sale and Supply of Goods & Supply of Services

*“The Act dramatically improves the remedies available to consumers for both the supply of services and the sale and supply of goods.”*

#### Why was reform necessary?

The Consumer Rights Act 2015 ('the Act') aims to define key terms and establish set standards that will apply to every contract for the supply of services and the sale and supply of goods. It was felt by many that the remedies available required extensive reform, mainly owing to the lack of statutory remedies available to the consumer where a trader failed to provide services with reasonable care and skill. The remedies for the sale and supply of goods were also felt to be confusing, particularly around when acceptance by a consumer led to a forfeit of their right to reject the goods.

Therefore the Act seeks to afford consumers greater protection when entering into a contract for the supply of services or the sale and supply of goods by clarifying the standards that they should expect to receive from traders and to provide consumers with more extensive avenues of redress.

#### To whom will the changes apply?

The Act applies to contracts and notices between a 'trader' and a 'consumer'. The Act defines 'a consumer' as *“an individual acting for purposes that are wholly or mainly outside that individual's trade, business, craft or profession”*. This definition of consumer is wider than existing definitions found in UK and EU law as it includes individuals who enter into contracts for a mixture of business and personal reasons.

The Act defines a 'trader' as *“a person acting for purposes relating to that person's trade, business, craft or profession, whether acting personally or through another person acting in the trader's name or on the trader's behalf”*. This definition includes government departments and public sector authorities.



#### What standards have been introduced?

##### 1. Sale and Supply of Goods

The following standards have been introduced by the Act in respect of traders and the sale and supply of goods. The goods must:

- Be of satisfactory quality
- Be fit for purpose
- Match any description, sample or model
- Be installed correctly where installation is a term in the contract

##### 2. Supply of Goods and Services

The following standards have been introduced by the Act in respect of the supply of services.

- The trader must perform the service with reasonable care and skill
- The consumer must pay a reasonable price for the service
- The trader must perform the service within a reasonable time
- Written representations made by the trader to the consumer are binding

#### What remedies are available?

The remedies introduced by the Act in respect of the sale and supply of goods as well as the supply of services are set out in the table on the next page.

Sale and supply of goods	Supply of services
<p><b>Right to reject for 30 days after purchase</b>  <i>This short-term remedy is limited to 30 days and can be extended by the trader. A consumer can also ask for a repair or replacement during this period.</i></p>	<p><b>Right to require repeat performance</b>  <i>This remedy is available where a service has not been performed with reasonable skill and care or where the service does not comply with information that the trader has provided to the consumer about the service.</i></p>
<p><b>Repair or replacement</b>  <i>If the consumer does not exercise their right to reject goods within 30 days then a repair or a replacement can be requested.</i></p>	<p><b>Right to a reduction in price</b>  <i>Where the remedy of repeat performance cannot be carried out, or alternatively has not been carried out within a reasonable time, the consumer is entitled to a reduction in price for the service.</i></p>
<p><b>Price reduction</b>  <i>If the repair or replacement is unsuccessful or unavailable, or not provided within a reasonable time, then the consumer can keep the goods and ask for a price reduction.</i></p>	<p><b>Compensation</b>  <i>In limited circumstances the consumer can claim compensation from the original trader (for example where the consumer has had to pay a second trader as a result of the original trader not performing the service with reasonable skill and care).</i></p>
<p><b>Final right to reject</b>  <i>If the consumer chooses to reject the goods then the consumer is entitled to a full refund. Deductions can be made from the full refund amount where the consumer has benefitted from any use of the goods.</i></p>	
<p><b>Price reduction</b>  <i>The consumer can claim compensation for losses as a result of the trader's breach. Compensation can be claimed in conjunction with any of the above remedies.</i></p>	<p>For more information please contact Rob Ganpatsingh on: 01293 605093 or <a href="mailto:robert.ganpatsingh@dmhstallard.com">robert.ganpatsingh@dmhstallard.com</a></p>

## Impact of the Act

The Act provides definitions for key terms such as 'trader' and 'consumer' and delivers clarity on the standards that apply to transactions and contracts between them. However, the Act only applies to contracts and notices between a trader and a consumer and there has been no similar legislative clarification with the sale and supply of goods and supply of services to businesses.

The Act broadens the scope with respect to the supply of goods to include goods that are hired. This will afford additional protection to those consumers who have hired goods that do not meet the standards as well as those who have purchased goods outright.

Businesses will need to ensure that any written representations they make to consumers are clear and intelligible. All goods will need to match any accompanying description and services should be performed with the correct level of care and skill and within a reasonable time, businesses should be clear about what service consumers should expect to receive and what result will be delivered.

Above all businesses should know and understand the remedies available to consumers under the Act. Businesses are responsible for ensuring that they meet the new standards introduced and, should they fail to do so, they can be held to account by consumers under the extensive remedies provided by the Act.