

New consumer rights bill coming into force

Any business which deals with consumers should be aware of forthcoming changes in consumer law. A new Consumer Rights Act will be passed which will come into force by June of next year.

The Consumer Rights Act will consolidate much of current consumer law into one Act and will make a number of changes.

Digital content will be included within the scope of consumer rights, so consumers will have a right to return downloaded music, software or other media if it is faulty.

Promises or statements about goods or services will form part of the contract with a consumer so consumers will be able to rely on information provided on a website, in a brochure or by a salesperson. Unfair terms will not be binding on consumers.

The Act will set out statutory rights (not “implied terms”) which will apply to the provision of services, including a right for services to be provided with reasonable care and skill, in compliance with information provided by the trader, within a reasonable time and for a reasonable price.

The Act also sets out similar statutory rights in relation to goods which must: be of satisfactory quality, fit for a particular purpose and must meet the expectations of the consumer.

The Act also makes certain changes in relation to when goods can be returned:

- Goods purchased online or by mail order may be returned on a ‘no questions asked’ basis for 14 days following delivery (and this period can be extended to up to a year if information is not provided to consumers about these rights)
- A new 30 day period for returning faulty goods will be introduced

The Act will not fundamentally alter the balance between traders and consumers but it is likely to lead to more consumers becoming aware of their rights and the penalties and remedies for failing to comply with consumer law are becoming stricter.

Businesses dealing with consumers should ensure that their terms and conditions and their practices are compliant with the new rules.

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