

**Department of Trade and Industry
Consumer and Competition Policy Directorate**

The Sale and Supply of Goods to Consumers Regulations 2002

A Brief Introduction

A minimum set of common consumer rights on faulty goods in each EU country is provided for by Directive 1999/44/EC on the Sale of Consumer Goods (“the Directive”). One aim of the Directive is to encourage people to shop across borders, knowing they have protection if anything is wrong with the products they buy. Existing UK law has been retained but slightly amended, mainly to give effect to specific remedies which, although they have been in use for many years, have not previously been part of the law. These amendments are contained in the Sale and Supply of Goods to Consumers Regulations (“the Regulations”), in force from 31 March 2003. This brief Guide is to explain the operation of the law in the UK.

The Regulations apply to a range of transactions between businesses and consumers, including the sale and supply of goods, hire and hire-purchase. “Consumers” are defined as people who are buying for purposes not related to their trade, business or profession. The Regulations do not apply to services in general nor do they apply to second hand goods sold at auctions that the consumer has the opportunity of attending in person.

When goods are faulty, a consumer can generally only obtain a legal remedy against the retailer. Consumers are generally not able to claim directly against the manufacturer. Consumers may have additional rights under any guarantees supplied with the goods or against a credit card company or finance house if the goods are purchased by means of credit and have a price of over £100.

A Simple Summary (see flow chart below)

Consumers are entitled to goods of satisfactory quality, taking account of any description, the price and other relevant circumstances. If an item has a fault that is present at the time of sale, the consumer can complain once it is discovered.

Consumers cannot expect a legal remedy in respect of:

- fair wear and tear;
- misuse or accidental damage; or
- if they decide they no longer want the item.

Similarly, consumers cannot expect a legal remedy where goods have faults that they knew about before the sale or that should have been evident on reasonable inspection.

Remedies

If a product that was faulty at the time of sale is returned to the retailer, the consumer is legally entitled to:

- **a full refund**, if this is within a reasonable time of the sale (“reasonable time” is not defined in law but is often quite short); or
- **a reasonable amount of compensation (or “damages”)** for up to six years from the date of sale (five years after discovery of the problem in Scotland).

This does not mean all goods have to last six years! It is the limit for making a claim in respect of a fault that was present at the time of sale. It is not equivalent to a guarantee. These are long-established rights and they remain available to the consumer after the Regulations come into force on 31 March 2003.

Under the Regulations, consumers can choose to request instead:

- **a repair or replacement.**

The retailer can decline either of these if he can show that they are disproportionately costly in comparison with the alternative. However, any remedy must also be completed without significant inconvenience to the consumer. If neither repair nor replacement is realistically possible, consumers can request instead:

- **a partial or full refund**, depending on what is reasonable in the circumstances.

It may be the case that a full refund is not the reasonable option because the consumer will have enjoyed some benefit from the goods before the problem appeared. This needs to be taken into account before a reasonable partial refund can be assessed.

As illustrated in the flow chart below, consumers can switch between certain remedies if they find they are getting nowhere down the route originally selected. However, they would have to give a retailer a reasonable time to honour a request before they tried to switch, and they could never pursue two remedies at the same time.

Proving the fault

Generally, the consumer needs to demonstrate the goods were faulty at the time of sale. This is so if the consumer chooses to request an immediate refund or

compensation (damages). It is also the case for any product returned more than six months after the date of the sale.

There is one exception. This is when a consumer returns goods in the first six months from the date of the sale, and requests a repair or replacement or, thereafter, a partial or full refund. In that case, the consumer does not have to prove the goods were faulty at the time of the sale. It is assumed that they were. If the retailer does not agree, it is for him to prove that the goods were satisfactory at the time of sale.

Other situations covered

The remedies of repair, replacement, partial refund and full refund are also available to consumers:

- where installation by the retailer is not satisfactory;
- where installation instructions have serious shortcomings;
- generally where a good does not match the public statements made about it by the retailer, manufacturer, importer or producer; and
- where a specially commissioned product has relevant failings.

These are greatly simplified explanations and they are expanded on in the 20 page guide that DTI have available on the DTI's web site <http://www.dti.gov.uk/ccp/topics1/saleandsupply.htm> and in hard copy.

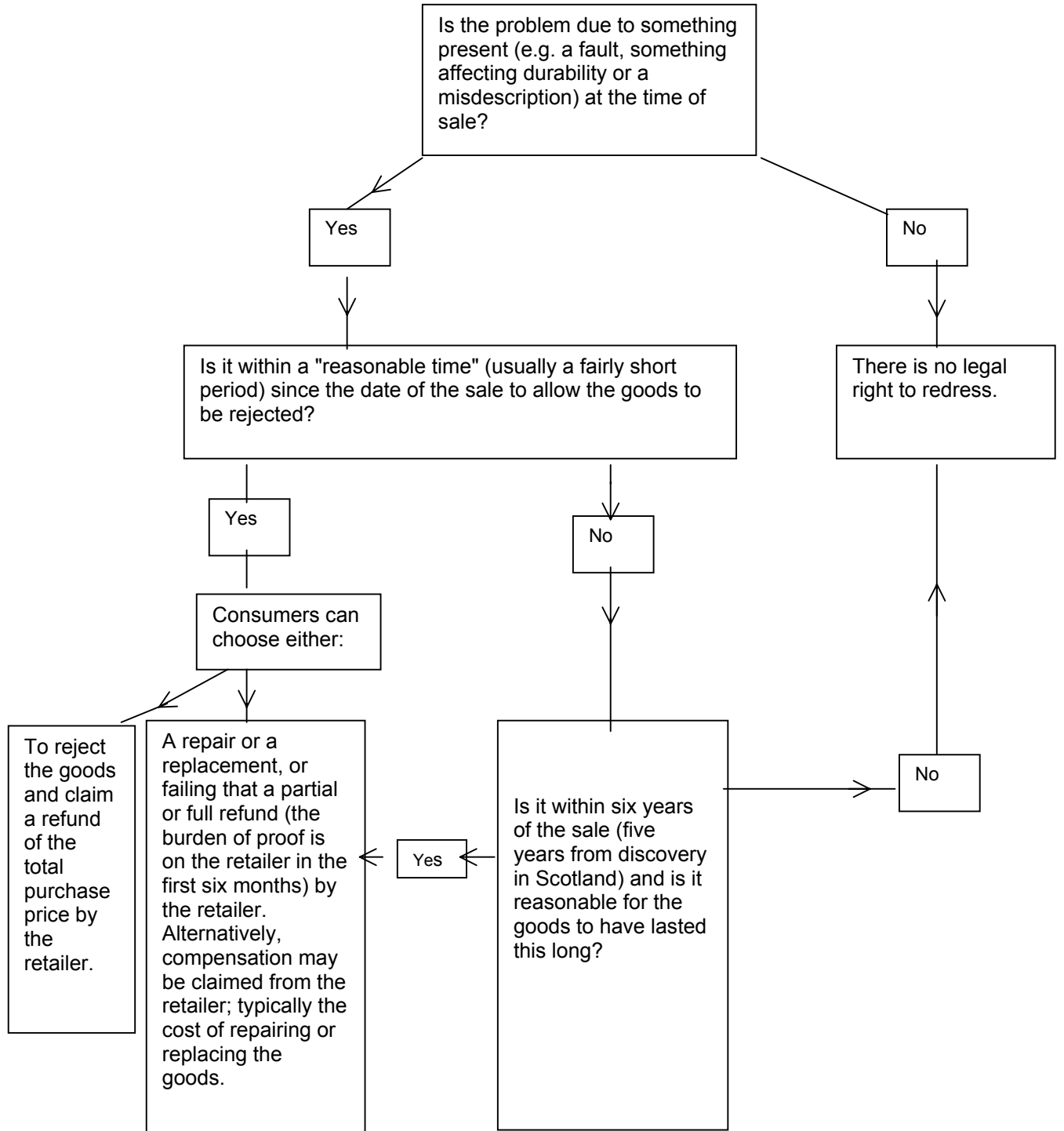
Alternative dispute resolution

Although consumers do sometimes take court action, in day-to-day practice this is a rare event. In the vast majority of cases, the consumer and retailer are able to reach a satisfactory solution without any need to consider going to court. Where this is not possible, use of an alternative dispute resolution procedure or trade association scheme can be considered. Details may be sought from the retailer, the Community Legal Service or a Citizens Advice Bureau.

Further Advice

Consumers can obtain free advice from their local Citizens Advice Bureau <http://www.citizensadvice.org.uk/>; their local council's Trading Standards Department <http://www.tradingstandards.gov.uk/>; the OFT's Shoppers Guide publication <http://www.of.gov.uk/News/Publications/Leaflet+Ordering.htm>; the Community Legal Service <http://www.legalservices.gov.uk/>; the Which? Online/Which? Legal Service <http://www.which.net/> and solicitors (who may charge). The DTI is not able to intervene in individual disputes.

Sale of Consumer Goods Regulations (in force from 31 March 2003)



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