



Key features of the Consumer Rights Act 2015

Overview		
<ul style="list-style-type: none"> Comes into force on 1 October 2015 – businesses should act now to ensure their consumer-related practices and T&Cs are compliant Applies to contracts between a business and consumer, whether individually negotiated or on standard terms Consolidates existing law with a few key changes, notably on consumer remedies and unfair terms in consumer contracts Increases consumer rights from the pre-existing legal framework 		
Subject matter		Commentary
Goods	<i>Rights</i>	<ul style="list-style-type: none"> Goods are to be of satisfactory quality, fit for purpose, match a description and correspond to a sample Businesses cannot contract out of these terms or restrict any resulting liability
	<i>Remedies for breach</i>	<ul style="list-style-type: none"> Short term right to reject (30 days after delivery/installation) which is extended if supplier has to repair or replace the goods Consumer may require the supplier to repair or replace goods which, if unavailable or not completed within a reasonable time, leads on to the right to a price reduction or final right to reject the goods
Services	<i>Rights</i>	<ul style="list-style-type: none"> Services to be provided using reasonable care and skill, at a reasonable price and within a reasonable time What is reasonable is a question of fact and will depend on the nature of the services Businesses cannot contract out of these terms or restrict any resulting liability
	<i>Remedies for breach</i>	<ul style="list-style-type: none"> For lack of care and skill in delivery of a service, the consumer has the right to require repeat performance and, if repeat performance is not possible or not repeated within a reasonable time, the right to a price reduction If services are not provided within reasonable time, consumer has the right to a price reduction
Digital content	<i>Rights</i>	<ul style="list-style-type: none"> Applies to paid for digital content or digital content that comes free with physical goods (but is not otherwise available for free) Does not cover internet or mobile services that provide access to digital content Standard as for physical goods, but “sample” is “trial version” Businesses cannot contract out of these terms or restrict any resulting liability
	<i>Remedies for breach</i>	<ul style="list-style-type: none"> Consumer may require a repair or replacement which, if unavailable or not provided within a reasonable time, invokes the consumer’s right to a price reduction Right to refund if trader does not have the right to provide the digital content

Unfair Terms	<i>Law</i>	<ul style="list-style-type: none"> ■ Term in a contract or notice unfair if it creates a significant imbalance in the rights of the parties to the detriment of the consumer, contrary to a requirement of good faith ■ All written terms must be transparent and in plain, intelligible language ■ Black list of unfair terms e.g. limiting a business's liability for death or personal injury resulting from negligence ■ Grey list of potentially unfair terms e.g. disproportionately high cancellation fees
	<i>Impact on business</i>	<ul style="list-style-type: none"> ■ Unfair terms do not bind consumers and pose an inherent reputational risk ■ Regulators (including Trading Standards and "Which?") may prevent a business from using an unfair term even if no complaint has been made
Private Actions for Breaches of Competition Law	<i>Law</i>	<ul style="list-style-type: none"> ■ Stand-alone claims can be brought before the Competition Appeals Tribunal (CAT) as opposed to follow-on actions ■ Extended limitation period – 6 years rather than 2 years, aligned with the High Court ■ New powers for CAT to grant injunctions to cease continuing infringements of competition law
	<i>Impact on business</i>	<ul style="list-style-type: none"> ■ Broader scope of the CAT to hear cases coupled with fast-track procedures for less-complex cases mean competition breaches can be more readily enforced ■ It is easier for consumers to bring private actions for damages for breaches of competition law
Enforcement Powers Reform	<i>The Changes</i>	<ul style="list-style-type: none"> ■ Enhanced investigatory powers across a range of consumer legislation to include clarification of existing powers of entry, inspection and safeguarding powers ■ Trading Standards has new powers to investigate and bring actions outside of their local authority area
	<i>Impact on business</i>	<ul style="list-style-type: none"> ■ Enhanced powers and the consumer focus of the Act means regulators are empowered to police and enforce non-compliance

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