



Consumer Rights Act

Introduction

The Consumer Rights Act 2015 was designed to simplify, strengthen and modernise UK consumer law. It was introduced as a Bill by the former Conservative-Liberal Democrat Coalition Government in January 2014. The Labour Party tabled a range of opposition amendments to the Bill, including measures to ban letting agents from charging fees to tenants and to ban payday loans being advertised on television before 9pm. These amendments were defeated, though Chancellor George Osborne did proceed to place a cap on the cost of payday loans. Consumer organisation *Which?* described the Consumer Rights Act as “the biggest shake up in consumer rights law in a generation”.

Background

The Consumer Rights Act consolidates three pieces of UK legislation, replacing the Sale of Goods Act, Unfair Terms in Consumer Contracts Regulations and the Supply of Goods and Services Act.

Key changes

The Act makes Alternative Dispute Resolution (ADR) available to all businesses to help when a dispute with a consumer cannot be settled directly. Before the Consumer Rights Act became law, this service had only been available in certain sectors. A business which is involved in a dispute will now need to make the consumer aware of a relevant certified ADR provider. The business should also let the consumer know whether or not they are prepared to use the ADR provider to deal with the dispute. However, a business does not have to use ADR unless it operates in a sector where existing legislation makes it mandatory (for example, financial services).

“ Before the Consumer Rights Act became law, ADR had only been available in certain sectors. ”

Act contents

The Act contains a range of provisions for statutory rights around services contracts:

- **Service to be performed with reasonable care and skill:** Every contract to supply a service is to be treated as including a term that the trader must perform the service with reasonable care and skill.
- **Information about the trader or service to be binding:** The Act states that if a retailer provides pre-contract information in relation to a service and the consumer takes this information into account, the service must comply with that information.
- **Reasonable price to be paid for a service:** If the consumer has not paid a price or other consideration for the service, and the contract does not expressly fix a price or other consideration, and does not say how it is to be fixed, the contract is to be treated as including a term that the consumer must pay a reasonable price for the service, and no more.
- **Service to be performed within a reasonable time:** If the contract does not expressly fix the time for the service to be performed, and does not say how it is to be fixed, then the contract is to be treated as including a term that the trader must perform the service within a reasonable time.

Additionally, the Act also covers:

- **Right to 30 days to get a refund:** Consumers now have the right to reject a faulty item and get a full refund – the timeframe is 30 days.
- **New remedy system:** In place for faulty goods, digital content and services, consumers now have a tiered remedy system which details the different type of remedy to which you are entitled depending on the time you have owned the product. This measure means consumer rights to a refund are now more clearly set out.
- **Right to repairs:** If the consumer requires a repair or replacement of goods, the trader must fulfil this in a reasonable time and without significant cost to the consumer. If the initial attempt by the trader to repair or replace a faulty item fails, then consumers are entitled to ask for a refund or price reduction.
- **Digital content rights:** The Act gives rights to consumers relating to online digital content that is paid for, digital content supplied free with other paid for items and digital content supplied on a physical medium, such as a DVD. Statutory rights on digital content include for the content to be of satisfactory quality, for right to repair or replacement, right to price reduction and right to a refund.
- **Unfair terms in consumer contracts:** The Act makes it easier for consumers to challenge hidden fees and charges, as now the key terms of a contract, including price, may be assessed for fairness unless they're both prominent and transparent.



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State of play

The Consumer Rights Bill received Royal Assent in March 2015 and the Consumer Rights Act came into force on 1 October 2015.

Contact

For further information on this subject, please contact:

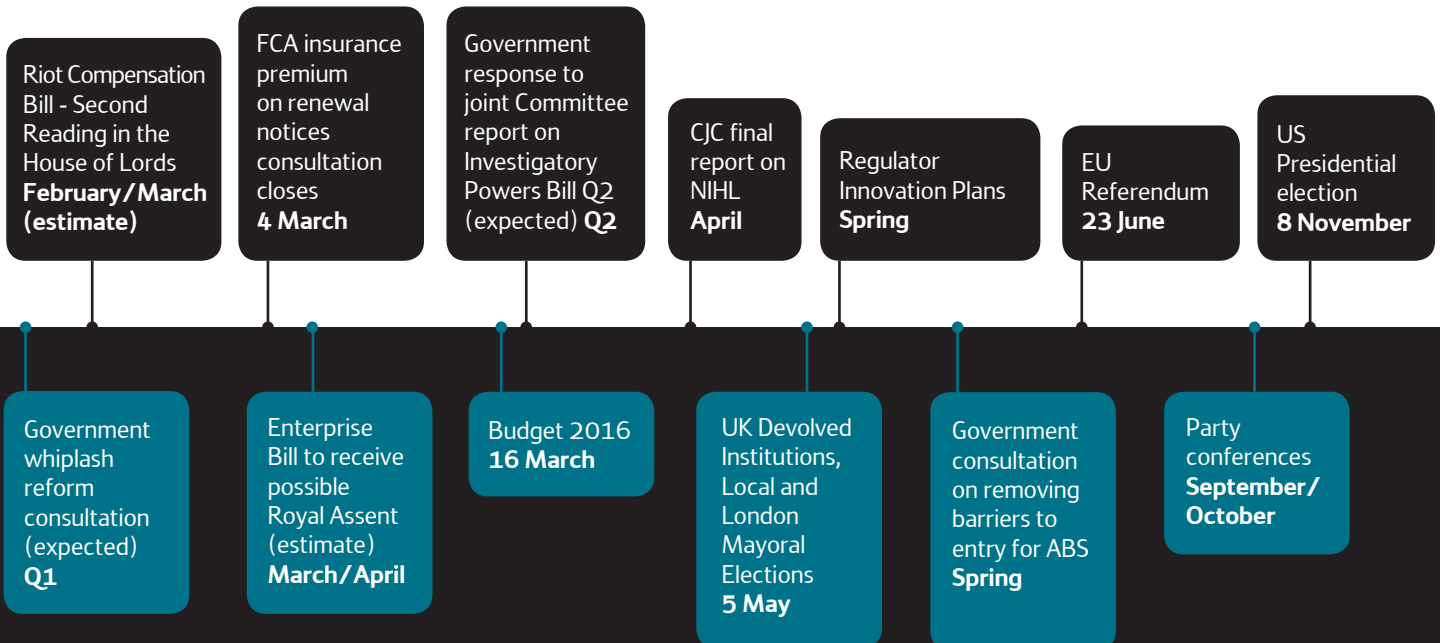


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