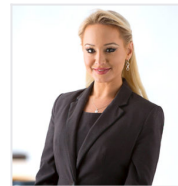




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Consumer Contracts – What Businesses Need to Know

If you rely on consumer contracts for your business, it is important to ensure that the terms you contract on are correct and lawful. How should you go about achieving that?

Who is a consumer?

Under The Consumer Rights Act 2015 a “consumer” is defined as someone who is “acting for purposes which are wholly or mainly outside that individual’s trade, business, craft or profession”. A large body of legislation provides protection to consumers, under which they have certain rights. If your business provides goods, services or digital content to consumers, you should therefore ensure your contracts and business practices are compliant with consumer protection legislation.

Providing information to the consumer

Specific rights are granted where contracts are entered into in a place other than on the trader’s premises, (for example website sales, telephone sales or contracts concluded at the consumer’s home). The legislation establishes pre-contractual information that must be provided by a trader to the consumer. In many cases, a consumer is entitled to a 14 day “cooling off period”, during which they are able to cancel the contract without giving a reason. A cancellation form must also be provided in such cases.

The consequences of failing to provide this information or documentation can be significant for a trader as, for example, where the consumer is not advised of their right to cancel within 14 days, the cancellation period can extend up to a year and the trader will be required to fully refund the consumer upon cancellation.

Timeframes and other requirements

The legislation also sets out many requirements for a trader to observe, including meeting certain timeframes for the delivery of goods, providing information on all additional delivery charges and other costs and ensuring prices for consumers are inclusive of VAT.

Fair terms

Contract terms must be fair to be enforceable. A term is likely to be unfair where it creates a significant imbalance between the parties' rights and you may therefore not be able to rely on it against a consumer customer.

Statutory rights for goods, services or digital content

Terms that goods will be of satisfactory quality, as described and fit for purpose and services will be performed with reasonable care and skill are implied into all contracts giving consumers rights and remedies in relation to goods, services and digital content. It is not possible for a trader to exclude or restrict their liability in relation to such statutory rights.

Review your contracting procedures

The above is just a summary of some of the factors to consider when contracting with consumers. It is therefore important to properly draft contracts with consumers and take into account all of the requirements under the large body of consumer protection legislation. It is also vital to review your contracting procedures to ensure your terms are effectively incorporated into any contracts you make with a consumer in order to be able to rely on them.

Should you wish to discuss the documentation you require or review the contracts you already have with consumers, please do not hesitate to contact our [Corporate & Commercial](#) team by emailing online.enquiries@la-law.com or calling 01202 786188.