

Assignment 2 – Contract Law (BMLW 5006)

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What is the Consumer Right Act 2015 and who does it apply to?

The majority of consumer regulation has removed, including the “Unfair Contract Terms Act of 1977 (UCTA), the Sale of Goods Act of 1979 (SOGA), and the Supply of Goods and Services Act of 1982” (SOGSA). And, change it with the new Act which is The Consumer Rights Act of 2015. “The Consumer Rights Act of 2015 establishes a framework that unifies important consumer rights pertaining to contracts for products, services, digital content, and legislation pertaining to unfair conditions in consumer laws” or contract (Department for Business, Innovation and Skills, 2011). The Consumer Rights Act 2015, which goes into force on October 1, 2015, was previously known as Consumer Law (Gazette, 2015). The Consumer Rights Act of 2015 was enacted to simplify contract law so that consumers and businesses can feel at ease or have security while acquiring or selling goods or services (Gazette, 2015). By, by allowing “small and medium-sized businesses ("SMEs") and consumers to file antitrust complaints with the Competition Appeal Tribunal” ("CAT") (Department for Business, Innovation and Skills, 2011). When dealing with breaches or possible violations of consumer law, civil courts and public enforcers provide more freedom to make the most suitable action and safeguard consumers from harm caused by the services or products (Department for Business, Innovation and Skills, 2011). Other than that, they also aim to defend consumers from unfair company practices or contract conditions in refunds, transactions, delivery and repairs (Businesses, 2021).

“The Act also widens the range of higher education providers is required to engage in the higher education complaints management scheme, as well as including the rules for resale tickets to recreational, sporting, and cultural events” (Department for Business, Innovation and

Skills, 2011). The Sale of Goods Act 1893, as amended by the Sale of Goods Act 1979 ("SGA") over time, defended customers when purchasing goods (Department for Business, Innovation and Skills, 2011). The Supply of Goods and Services Act of 1982 ("SGSA") expanded these rights to include circumstances when goods were delivered in ways. Some protections for the consumers of traders' services are covered by the SGSA with respect to England, Wales, and Northern Ireland (Department for Business, Innovation and Skills, 2011). The Unfair Contract Conditions Act of 1977 ("UCTA") created domestic legislation outlining regulations for unfair terms (Department for Business, Innovation and Skills, 2011).

What are the main rights and responsibilities of the Consumer Rights Act 2015?

There are 3 categories in the Consumer Rights Act 2015 which are “consumer contracts for goods, unfair terms and miscellaneous, digital content and services and other general” (Department for Business, Innovation and Skills, 2011). There are other regulations, such as a 30-day timeframe for returning defective items and receiving a full refund (Department for Business, Innovation & Skills, The Rt Hon Dr Vince Cable, and Jo Swinson, 2015). Consumers would be entitled to get cash refunded after an unsuccessful repair of faulty products or one bad replacement, although it's over 30 days have gone, according to the legislation, which is currently ambiguous (Department for Business, Innovation & Skills, The Rt Hon Dr Vince Cable, and Jo Swinson, 2015). The ability for consumers to reject unfair or concealed terms and conditions in the fine print is also one of the rules and regulations in the Consumer Rights Act 2015 (Department for Business, Innovation & Skills, The Rt Hon Dr Vince Cable, and Jo Swinson, 2015).

For an example scenario in the service that can be applied by the Act, a motivational speaker who has pledged to attend the event and give a speech at 2 p.m. You paid him £500 for his services as the event manager. The contract states that any difficulties caused by the

speaker will get a maximum reduction of £250. At 5 p.m., the speaker arrives late and misses the occasion. By failing to arrive at 2 p.m., he has broken the contract. The word "price decrease limit" is invalid. The speaker service will not be offered again because the event has already taken place and has been replaced by another activity. Since, “non-compliance with the information given, you are entitled to a price reduction of up to 100%” under the Act (Department for Business, Innovation & Skills, The Rt Hon Dr Vince Cable, and Jo Swinson, 2015).

Sale of Goods Act (1979)

A contract of sale of goods is a contract in which the seller transfers or promises to transfer property in products to the buyer in exchange for money (Legislation.gov.uk, n.d.). The general law governing the capacity to contract, transfer, and acquire property governs the capacity to purchase and sell (Legislation.gov.uk, n.d.). For the advantage of the customer, the Sale of Goods Act 1979 puts some implied terms into the contract of sale (Legislation.gov.uk, n.d.). The expectation that the acquired product will be of satisfactory quality are the example of an essential implied term (Conway, 2017). “This involves suitability for any function, look and finish, minor blemish-free status, safety, and durability” (Conway, 2017). Inability of the goods to satisfy any of the implied requirements may constitute a breach of the customer's rights, allowing the consumer to claim compensation from the store even after months of usage (Conway, 2017). The needed 'burden of evidence,' or the extent to which a shop can compel a customer to show that an item was defective when they bought it, is also stated in regulation (Conway, 2017).

What does Part 1 Consumer Right Act 2015 cover?

Previously, the law that applied the Consumer Right Act 2015, particularly the Sale and Supply of Goods to Consumers Regulations 2002, has since been removed. As a result, the CRA offers a regulatory framework for contracts involving products, services, and digital information deals with agreements between a trader and a customer for the business to deliver. Any of chapters 2, 3 and 4 may apply to a contract if it is a contract for the trader to supply goods, digital content and service and some of the chapters apply to a mixed contract (Legislation.gov.uk, n.d.). For provisions about particular mixed contracts, see sections 15 and section 16 (Legislation.gov.uk, n.d.). "If the products are sold at public auction and consumers have the chance to attend the sale in person, that person would not be a consumer in respect to a sales contract" (Legislation.gov.uk, n.d.). Unless and until the consumers "with respect to such a contract under sections 11(4) and (5), 12, 28, and 29, and the other provisions of Chapter 2 as they pertain to those parts" (Legislation.gov.uk, n.d.).

The general arrangement of the Part 1 Consumer Right Act 2015 is as follows "establishes the requirements that goods must follow and consolidates and links the current disparate consumer remedies for goods delivered under various contract forms, such as sale, work and materials, conditional sale, and hire purchase" (Department for Business, Innovation and Skills, 2011). It also "sets a 30-day period in which customers can reject subpar items and receive a complete refund, as well as a restriction on the number of repairs or replacements of poor goods before dealers must offer some money back" (Department for Business, Innovation and Skills, 2011). Sets restrictions on how much merchants can lower the amount of a refund when products are not originally declined to compensate for the usage of the products the customer has enjoyed up to that moment. Also, introduces new types and Customized quality rights for the digital content category. According to the government legislation of the UK's

website, there are many more other Part 1 CRA 2015 that are covered, above are a few general arrangements of it (Department for Business, Innovation and Skills, 2011).

What are your options if your statutory rights under a goods contract are violated?

References to goods complying with a contract in sections 19, 22 to 24 relate to goods that conform “to the terms described in sections 9, 10, 11, 13, and 14”, as well as goods that do not fail to conform to the contract under sections 15 or 16, and finally, goods that conform to contract requirements (Legislation.gov.uk, n.d.). If the products do not correspond to the “contract due to a breach of any of the provisions stated in sections 9, 10, 13, 11, and 14, or if they do not conform to the contract under section 16” (Legislation.gov.uk, n.d.). The consumer's rights will be applied as followings of sections such as Sections 20 and 22 provide for a short-term right to reject, section 23 provide for a right to repair or replace, and sections 20 and 24 provide for a price reduction or a final right to reject (Legislation.gov.uk, n.d.).

What does Part 2 Consumer Right Act 2015 cover?

A contract between a trader and a consumer is covered by Part 2 (Legislation.gov.uk, n.d.). This Part applies to contracts and notices to the only extent that they relate to a trader's or a consumer's rights or responsibilities, or claim to exclude or limit a trader's duty to a consumer (Legislation.gov.uk, n.d.). The UCTA comprises anti-unfair contract terms law that “currently applies to contracts between businesses and consumers”, with some exceptions for business-to-consumer interactions (Department for Business, Innovation and Skills, 2011). “Consumers can dispute most non-negotiated contract conditions under the Unfair Terms in Consumer Contract Regulations 1999” (“UTCCRs”) on the basis that they are unfair (Department for Business, Innovation and Skills, 2011). In the contract term, any element of a consumer contract that sets the burden of proof on the customer in connection to a distant supplier's or

intermediary's compliance with a pledge under any legislation implementing the Distance Marketing Directive is considered unfair (Department for Business, Innovation and Skills, 2011). The general restrictions imposed on unfair contract conditions in Schedule 3 delegate authority to the Competition and Markets Authority and other authorities in terms of enforcing this, Part (Department for Business, Innovation and Skills, 2011). Furthermore, information on the investigative powers available to such regulators for the purposes of that Schedule can be found in Schedule 5 (Department for Business, Innovation and Skills, 2011).

Advantages and disadvantages

The Consumer Rights Act of 2015 provides several benefits to the UK, such as protecting customers from misleading promotions or marketing of services and goods. By utilising simplified language, the CRA helped consumers' comprehension of consumer protection. In addition, there are remedies and advantages for goods, services, unfair terms, and digital content. Furthermore, a big number of people are buying and selling because they are confident in the items (Harris, 2019). Furthermore, it helps to reduce the possibility of products being undercut by badly manufactured items from within or outside the country (Harris, 2019). However, there are certain drawbacks to it under consumer protection rules, such as increased expenses or pricing, which may result in legal action. As well as the ongoing effort of keeping up with new consumer protection legislation (Harris, 2019). In conclusion, the CRA of 2015 is created on focusing the health and the well-being of the public in the UK despite there are a few disadvantages of it.

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