

All in one place

The Consumer Rights Act 2015 succeeds in consolidating consumer legislation and providing real rights of redress, says **Jonathan Silverman**



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In recent years, whether you are acting for retailers, suppliers, or manufacturers, it has become increasingly difficult to advise with any certainty as to how a court will deal with defective products or services delivered to disgruntled consumers.

However, just before parliament was dissolved, the Consumer Rights Act 2015 received royal assent. The Act was introduced with the aim of consolidating key consumer rights, driven to some considerable extent by a combination of EU directives, the huge growth in internet shopping, and the concern that existing legislation had not kept up with business.

Wide spread of issues

At last, we have one Act embracing contracts for goods, services, and digital content, as well as addressing unfair terms in consumer contracts. In addition, it covers anti-competitive behaviour and gives Trading Standards real powers to

investigate potential breaches of consumer law across local authority boundaries. And it doesn't stop there, addressing issues as diverse as letting agents, higher education bodies, and ticket agencies that resell tickets to recreational, sporting, and cultural events – truly a wide spread of issues for one piece of legislation to attempt.

Before the introduction of the Act, there was a growing consensus that existing UK legislation was unduly complex and scattered, creating difficulties for the practitioner and consumer alike. So, farewell to a raft of legislation, including the Sale of Goods Act 1979 and the Unfair Contract Terms Act 1977.

Now there is a clear requirement for all contracts providing consumers with goods, services, or digital content to provide certain information before the consumer will be bound by the contract. The Act also introduces various measures aimed at protecting consumers from hidden charges being added once they have entered into a contract.

The underlying approach is to provide consumers with real rights of redress following misleading or aggressive trade practices, which were not entirely addressed successfully by fragmented legislation.

Rights of redress

The Act is split into three parts, covering consumer contracts for goods, digital content, and services; unfair terms; and miscellaneous items. Part 1:

- Sets out the standards which goods must meet by reference to the concept of satisfactory quality, factoring in price and stated purpose;
- Consolidates and aligns the current inconsistent remedies available to consumers for goods supplied under different contractual types, such as sale, work materials, conditional sale, or hire purchase;
- Sets a time period of 30 days within which consumers can reject substandard goods and be entitled to a full refund;
- Limits the number of repairs and replacements of substandard goods before traders must offer some money back;
- Raises the possibility that a consumer of a 'quality product' may well be able to bring a claim long after a 'guarantee period' has expired if the consumer can satisfy the court that it could have reasonably been expected to last for a number of years;
- Specifically states that traders cannot contract out of consumer statutory rights;
- Sets limits on the extent to which traders may reduce the level of refund for goods which were not rejected initially to take account of the use of the goods by the consumers before their return;
- Introduces a new category of digital content (perhaps one of the aspects of the legislation which will have most impact, since it recognises both the concept of tailored quality rights for

digital content, and tailored remedies where the digital content rights are not met and, for example, where consumers' hardware is damaged as a result; and

- Introduces new statutory remedies when things go wrong with the service.

It is apparent that this legislation has been brought about by the digital revolution, especially important now that consumers spend a more significant proportion on digital products. Whereas in the past a consumer was likely to go into a shop and examine a product before purchase, now, certainly in the case of digital products, the consumer is reliant upon the supplier's representations before deciding on whether to purchase.

Finally, there is robust legislation available to the consumer which makes it perfectly clear that where goods or services fail to match any representations made about them or demonstrate a defect, the consumer will be in a strong position to seek recourse.

The Act deserves close scrutiny. Those advising suppliers and retailers have good cause to advise their clients to review without delay their terms and conditions of business and their online terms, and also discuss with their insurers the extent of cover available to them, especially as claims may follow at a much later date than previously.

It will be interesting to see how long it takes for consumer bodies to flex their muscles. **SJ**