

Sale of Goods legislation

Introduction

UK law on sale of goods is set out principally in the **Sale of Goods Act 1979** (as amended in 1994). The Act was recently amended by the Sale and Supply of Goods to Consumers Regulations 2002, to provide consumers with additional remedies. This Guide briefly explains the operation of the law.

The Sale of Goods Act applies to all buyers but consumers are entitled to a greater range of remedies. “Consumers” are defined as people who are buying for purposes not related to their trade, business or profession. The Act does not apply to services in general.

When goods are faulty, buyers can generally only obtain a legal remedy against the retailer. Buyers are not usually able to claim directly against the manufacturer. Consumers may have additional rights under any guarantee supplied with the goods or against a credit card company or finance house if the goods are purchased by means of credit and have a price of over £100.

A Simple Summary (see flow chart on page 4)

Buyers are entitled to goods of satisfactory quality, taking account of any description, the price and other relevant circumstances. If an item has a fault that is present at the time of sale (which may be a “latent” or “inherent” fault), the consumer can complain once it is discovered.

Buyers cannot expect a legal remedy in respect of:

- fair wear and tear;
- misuse or accidental damage; or
- if they decide they no longer want the item.

Similarly, buyers cannot expect a legal remedy where goods have faults that they knew about before the sale or that should have been evident on reasonable inspection.

Remedies

If a product that was faulty at the time of sale is returned to the retailer, the buyer is legally entitled to:

- **a full refund**, if this is within a reasonable time of the sale (“reasonable time” is not defined in law but is often quite short); or
- **a reasonable amount of compensation (or “damages”)** for up to six years from the date of sale (five years after discovery of the problem in Scotland).

This does not mean all goods have to last six years! It is the limit for making a claim in respect of a fault that was present at the time of sale. It is not equivalent to a guarantee. These rights are long-established rights.

Alternatively, consumers (see definition in introduction above) can choose to request instead:

- **a repair or replacement.**

The retailer can decline either of these if he can show that they are disproportionately costly in comparison with the alternative. However, any remedy must also be completed without significant inconvenience to the consumer. If neither repair nor replacement is realistically possible, consumers can request instead:

- **a partial or full refund**, depending on what is reasonable in the circumstances.

It may be the case that a full refund is not the reasonable option because the consumer will have enjoyed some benefit from the goods before the problem appeared. This needs to be taken into account before a reasonable partial refund can be assessed.

As illustrated in the flow chart on page 4, consumers can switch between certain remedies if they find they are getting nowhere down the route originally selected. However, they would have to give a retailer a reasonable time to honour a request before they tried to switch, and they could never pursue two remedies at the same time.

Proving the fault

Generally, the consumer needs to demonstrate the goods were faulty at the time of

sale. This is so if the consumer chooses to request an immediate refund or compensation (damages). It is also the case for any product returned more than six months after the date of the sale.

There is one exception. This is when a consumer returns goods in the first six months from the date of the sale, and requests a repair or replacement or, thereafter, a partial or full refund. In that case, the consumer does not have

to prove the goods were faulty at the time of the sale. It is assumed that they were. If the retailer does not agree, it is for him to prove that the goods were satisfactory at the time of sale.

Other situations covered

The remedies of repair, replacement, partial refund and full refund are also available to consumers:

- where installation by the retailer is not satisfactory;
- where installation instructions have serious shortcomings;
- generally where a good does not match the public statements made about it by the retailer, manufacturer, importer or producer; and
- where a specially commissioned product has relevant failings.

These are greatly simplified explanations and they are expanded on in the separate Guidance Note entitled "A Trader's Guide".

Alternative dispute resolution

Although consumers do sometimes take court action, in day-to-day practice this is a rare event. In the vast majority of cases, the consumer and retailer are able to reach a satisfactory solution without any need to consider going to court. Where this is not possible, use of an alternative dispute resolution procedure or trade association scheme can be considered. Details may be sought from the retailer, the Community Legal Service or a Citizens Advice Bureau.

Consumers can obtain free advice from their local Citizens Advice Bureau (<http://www.citizensadvice.org.uk/>);

their local council's Trading Standards Department (<http://www.tradingstandards.gov.uk/>);

the OFT's Shoppers Guide publication (<http://www.of.gov.uk/News/Publications/Leaflet+Ordering.htm>);

the Community Legal Service (<http://www.legalservices.gov.uk/>);

the Which? Online/Which? Legal Service (<http://www.which.net/>) and solicitors (who may charge).

The DTI is not able to intervene in individual disputes.

Can I obtain redress through the sale of goods legislation?

