## Oury Clark Quick Guides:



## Consumer Rights Act



The Consumer Rights Act 2015 ("the Act") outlines a single set of rules apply to all contracts where goods or services are supplied by businesses to consumers, including sale and hire contracts.

The rules only apply to business-to-consumer contracts, and will not apply to business-to-business contracts, or consumer-to-consumer contracts.

### **Contracts made before 1 October 2015**

Different legislation and rules may apply to any contracts made before 1 October 2015. Please contact us for additional information.

### **Supply of Goods**

### What can the customer expect?

Under the Act, certain standards apply to every transaction for the sale and supply of goods. The goods must:

- be of satisfactory quality;
- be fit for a particular purpose where it is obvious goods are intended for a particular purpose and a trader supplies them to meet that requirement;
- match the description, sample or display model; and
- be installed correctly if installation forms part of the contract.

Remedies If the trader breaches any of the required standards listed above, then the customer has the right to certain remedies as follows:

### Short-term right to reject

There is a short period of 30 days during which the customer is entitled to reject the goods. If the customer asks for repair or replacement during this time, the 30 day period will pause and the consumer will have the remainder of the 30-day period, or 7 days (whichever is longer), to check whether the repair or replacement has been successful, and to decide whether to reject the repaired (or replaced) goods.

When a customer rejects goods, they are entitled to claim a refund. This would either be a full refund, or in the case of hire, a refund for any part of the hire that was paid for but not supplied.

Any refund must be given without undue delay and within 14 days of the trader agreeing that the customer is entitled to a refund.



### **Repair or Replacement**

When there is a breach of contract but the customer chooses not to reject the goods, they will be entitled to a repair or replacement.

Where this is claimed, the trader must undertake the relevant repairs, or issue the replacement, at no additional cost, within a reasonable time, and without causing them significant inconvenience.

### Price reduction and final right to reject

If the remedies of repair or replacement are not available or are unsuccessful, are not provided within a reasonable time, or without significant inconvenience, then they can claim a price reduction or reject the goods.

A price reduction must be an appropriate amount, which will depend on all the specific circumstances to that claim. It can be any amount up to the full price paid.

If the customer rejects the goods, they will be entitled to a refund. The refund may be reduced to take account of any use the customer has had from the goods. A deduction cannot be made where goods are rejected within 6 months of supply (except where the goods are a motor vehicle).

### **Burden of Proof**

If the defect is discovered within 6 months of delivery, and the customer chooses one of the above Remedies, , it will be assumed that the fault was there at the time of delivery, unless the trader can prove otherwise.

If more than 6 months have passed, the customer will need to prove the defect was there at the time of delivery.

### Exceptions – when a customer cannot claim

- For defects brought to their attention before the sale.
- For any defects that should have been obvious upon inspection (if they have been given the opportunity to inspect).
- For damage they cause or if they simply change their mind about wanting the goods.

- If they chose the product for a purpose that is neither obvious nor made known to the trader and they then find that the item is unsuitable for that purpose.
- For fair wear and tear.

### **Supply of Services**

### What can the customer expect?

Under the Act, the following standards apply to every contract for the supply of services:

- the service must be carried out with reasonable care and skill;
- information said or written to the customer is binding where the customer relies on it:
- the service must be done for a reasonable price; and
- the service must be carried out within a reasonable time.

### Remedies

If the trader breaches the contract by failing to meet any of the above required standards, then the customer is entitled to either have the performance of the service repeated (at no additional cost), or to receive a price reduction, but only where repeat performance is impossible, or cannot be done within reasonable time.

### Exceptions – when a customer cannot claim

A customer will be unable to make a claim where the services do not achieve the desired outcome but has been carried out with reasonable care and skill, unless that outcome has been explicitly agreed first.

### A customer also cannot claim:

- $\bullet$  for damage that they themselves cause; or
- if they simply change their mind about wanting the services, unless the contract allows them to do so through a cooling-off period or right to cancel.

### **Digital Content**

The Act covers digital content separately to goods and services, however any goods containing digital content should conform to the rules and requirements set out in the Supply of Goods section above (i.e. the digital content must be as described, fit for purpose and of satisfactory quality).

The Act defines "digital content" as "data which are produced and supplied in digital form".

Examples of digital content include: computer games; films/television programmes; computer software; mobile phone apps; and systems software for operating goods (for example, domestic appliances, toys, motor vehicles etc).

The following rights are available to customers:

- If the digital content is faulty, the customer is entitled to a repair or a replacement.
- If the fault can't be fixed, or if it hasn't been fixed within a reasonable time and without significant inconvenience, the customer can get some, or all of their money back.
- If the customer can show the fault has damaged their device and the supplier hasn't used reasonable care and skill, the customer may be entitled to a repair or compensation.

Most computer systems' software, games and apps have minor defects that are corrected over time with fixes or upgrades. As such, a trader will not be liable for the unsatisfactory quality of a product, so long as any of the following circumstances apply:

- The customer's attention was drawn to an unsatisfactory aspect of the digital content before a contract was made.
- Where the customer examines the digital content before the contract is made, and that examination ought to reveal the unsatisfactory aspect.
- Where a trial version is examined by the customer before the contract is made, and a reasonable examination of the trial product ought to make the unsatisfactory aspect apparent.

However, it is crucial that the digital content must match any description the trader gives to the customer.

### Other Considerations

Other rules and regulations may apply to consumer contracts, including the right for the customer to change their mind within a set "cooling-off period". Whether the customer will be able utilise a cooling-off period will depend on the specific circumstances, in particular, whether the contract was created off-premises, or at a distance (including online).

Please contact us to discuss the consumer rules and regulations that apply to your business.

# For More Information Contact One of Our Partners Today →

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