

Oury Clark Quick Guides:



Packaging & Pricing Requirements

B2C Contracts



The main piece of legislation governing advertising, pricing and packaging in the UK is the Consumer Protection from Unfair Trading Regulations 2008 which includes certain general requirements and other obligations relevant to specific products such as food and drink.



Packaging

The packaging of a product must not be misleading and must be clear as to the nature, quantity and price of the product. All packaging should display the price and quantity of the product and where necessary should include any relevant safety information (although if extensive, this may be included in an accompanying leaflet or booklet). There is no requirement in the UK to include the origin of a product on the packaging but if this information appears, it must be accurate.

If information is relied upon by a consumer and found to be false, then a claim can be brought against the retailer and/or wholesaler. Sometimes it may be necessary to include additional information about product standards when selling items such as children's toys, footwear and food.

If a product is sold which varies in size or quantity, this should be expressed on the packaging. The retailer has two options when describing the size for packaging purposes; the retailer may either sell on the basis of the minimum possible size or the average size. Where the minimum size is used, every packet must contain at least the minimum size or stated. When the average size is displayed, the retailer must follow three steps to show the accuracy of the method. The average quantity must be at least the amount claimed; there must be no more than 1 unit in every 40 than a tolerated error amount below the average; and no packets may contain less than twice the specified tolerated error amount.

Pricing

Pricing should be displayed clearly and honestly on the packaging and/or labelling and must not be in any way misleading to the consumer.

Prices and quantities should be given in sterling and metric units respectively, however certain products such as milk and beer may still be sold in imperial units.

If there is to be a fee charged for postage or delivery, this should be set out with the pricing information. If the fee is unknown or variable, for example if it is calculated using Royal Mail rates, this must be stated expressly.

Promotions

When running promotions, certain rules must be followed when making comparisons between the promotional and non-promotional prices. Products should be clearly marked, showing whether the comparison price is a previous price charged in the specific outlet or a recommended retail price. The stated previous price must be accurate directly before the offer. If the product has been offered for a lower price for a significant period during the six months previous to the current offer, this must also be clearly stated.

VAT and other taxes

The rules governing the display of VAT and other applicable taxes are dependent on the nature of the goods or services sold and the type of customer. For retail customers, VAT and any other taxes which are levied on specific products must be included in the price displayed. This can be contrasted with sales to business customers to whom prices may be displayed exclusive or inclusive of VAT at the sellers discretion.

Professional fees do not always have to include VAT, even when dealing with retail customers, however it must be made clear from the outset as to what is included within a professional fee. Where the fee or estimate is based on an unknown sum of money, any quote must expressly state if VAT will be additionally charged.

Prohibited Practices

There are certain prohibited practices when setting prices. These include, but are not limited to:

- displaying any trust or quality mark without having the necessary authorisation;
- providing false information with regards to availability in order to induce sales;
- describing products as free when the consumer is required to pay more than the cost of distribution;
- bait advertising, i.e. the practice of incentivizing consumers to buy a product other than that advertised through false advertisement; and

- undisclosed advertorials, i.e. paying for the promotion of a product without clearly identifying that such promotion has been paid for.

If your business sells packaged goods to consumers you would like to find out more information on this topic, then please contact then please contact: contact@ouryclark.com

**For More
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Disclaimer: This note does not contain a full statement of the law and it does not constitute legal advice. Please contact us if you have any questions about the information set out above.

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