



# Trading Stamps Act 1964

## 1964 CHAPTER 71

An Act to make provision with respect to trading stamps, including provision for regulating the issue, use and redemption of trading stamps; to provide for regulating the business of issuing and redeeming trading stamps; and for purposes connected with the matters aforesaid. [31st July 1964]

BE IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

### **1 Restrictions on persons who may carry on business as promoters of trading stamp schemes**

- (1) No person other than a company or an industrial and provident society shall carry on business as the promoter of a trading stamp scheme.
- (2) If and so long as a private company carries on business as the promoter of a trading stamp scheme, the company shall be deemed not to be a private company for the purposes of the following provisions of the Companies Act 1948, that is to say—
  - (a) section 129 (exemption from requirements of section 127 as to documents to be annexed to annual return);
  - (b) section 143(1) (duty to forward to registrar copies of certain resolutions and agreements);
  - (c) section 161(1) and (2) (qualification of auditors);
  - (d) section 190(1) (prohibition of loans to directors).
- (3) If a person carries on business in contravention of subsection (1) of this section he shall be liable—
  - (a) on conviction on indictment to a fine of any amount, and
  - (b) on summary conviction to a fine not exceeding one hundred pounds.
- (4) In this and the next following section—

" company " means a company formed and registered under the Companies Act 1948 or an existing company within the meaning of that Act, and " private company " has the same meaning as in that Act;

" industrial and provident society " means a society registered under the Industrial and Provident Societies Act 1893.

## **2 Statements required on face of trading stamps**

- (1) No person shall after the coming into force of this section issue any trading stamp, or cause any trading stamp to be issued, or deliver any trading stamp to any person in connection with the sale of any goods or the performance of any services, unless such trading stamp bears on its face in clear and legible characters a value expressed in or by reference to current coin of the realm.
- (2) As from the coming into force of this section it shall be the duty of a company or industrial and provident society carrying on business as the promoter of a trading stamp scheme to secure that all trading stamps issued under the scheme bear on their face in clear and legible characters—
  - (a) in the case of a company, either the name of the company or a business name registered in respect of the company under the Registration of Business Names Act 1916;
  - (b) in the case of an industrial and provident society, the name of the society.
- (3) A person guilty of a contravention of subsection (1) of this section or of a failure to comply with subsection (2) of this section shall on summary conviction be liable to a fine not exceeding—
  - (a) in the case of an offence by a promoter of a trading stamp scheme, one hundred pounds, and
  - (b) in the case of an offence by some other person, twenty pounds.

## **3 Redemption of trading stamps for cash**

- (1) If the holder of any number of redeemable trading stamps which have an aggregate cash value of not less than five shillings so requests, the promoter of the trading stamp scheme shall redeem them by paying over their aggregate cash value.
- (2) The holder may exercise his right under the foregoing subsection—
  - (a) by presenting the stamps at any reasonable time at the promoter's registered office, or
  - (b) by sending the stamps by post to that office with sufficient instructions as to the manner in which the cash value is to be paid over,or in any other manner afforded by the promoter.
- (3) The obligation under this section in the case of an aggregate cash value which includes a fraction of a penny shall be arrived at by taking the sum to the nearest penny below the aggregate cash value.
- (4) In this section " redeemable trading stamps " means trading stamps delivered after the coming into force of this section in accordance with a trading stamp scheme upon or in connection with the purchase of any goods or the obtaining of any services for money, and " the holder", in relation to such a trading stamp, means the person to whom it was so delivered or any person who holds it without notice of any defect in title.

- (5) Subject to the following subsection this section shall also apply to trading stamps so delivered before the date of the coming into force of this section if a cash value is stated on their face.
- (6) This section shall not apply—
- (a) to trading stamps which have been so delivered before the date of the coming into force of this section and which show on their face that they were so delivered before that date, or
  - (b) to trading stamps which have been so delivered not later than six months after the passing of this Act and which show on their face, instead of any reference to any kind of value to the holder, a value indicating the sum paid on the purchase or other transaction in connection with which they were delivered or some other value which, having regard to the terms of the trading stamp scheme, it would be unreasonable to take as their value for the purposes of redemption under this section.
- (7) Any agreement under which the rights conferred by this section on holders of redeemable trading stamps are surrendered or modified shall be void.

#### **4 Warranties to be implied on redemption of trading stamps for goods**

- (1) Subject to subsection (2) of this section, in every redemption of trading stamps for goods there shall be—
- (a) an implied warranty on the part of the promoter of the trading stamp scheme that he has a right to give the goods in exchange,
  - (b) an implied warranty that the person obtaining the goods shall have and enjoy quiet possession of the goods,
  - (c) an implied warranty that the goods shall be free from any charge or encumbrance in favour of any third party, not declared or known to the person obtaining the goods before or at the time of redemption,
  - (d) an implied warranty that the goods shall be of merchantable quality, except that, if the person obtaining the goods has examined the goods before or at the time of redemption, there shall be no implied warranty as regards defects which the examination ought to have revealed.
- (2) The foregoing subsection shall have effect subject to the terms on which the redemption is made, so far as those terms expressly exclude or modify the warranties implied by that subsection.

#### **5 Catalogues and stamp books to include name and address of promoter**

- (1) Every catalogue published by or on behalf of the promoter of a trading stamp scheme which indicates (whether by reference to a stated number of filled stamp books or otherwise) the number of trading stamps required to obtain anything described in the catalogue, and every stamp book published by or on behalf of the promoter of such a scheme, shall contain a prominent statement of the name of the promoter and the address of the promoter's registered office.
- (2) If the promoter of a trading stamp scheme publishes, issues or distributes a catalogue or stamp book which fails to comply with any of the requirements of this section, he shall be liable on summary conviction to a fine not exceeding one hundred pounds.

## 6 Advertisements referring to value of trading stamps

- (1) It shall be unlawful for the promoter of a trading stamp scheme, or for any person carrying on a trade or business in which a trading stamp scheme is operated, after the coming into force of this section to issue or publish, or cause to be issued or published, an advertisement in any medium which conveys, or purports to convey, the cash value of any trading stamps—
  - (a) by means of a statement which associates the worth of any trading stamps with what the holder pays or may pay to obtain them, or
  - (b) in terms which are misleading or deceptive.
- (2) A person contravening this section shall be liable on summary conviction to a fine not exceeding fifty pounds.
- (3) For the purposes of this section an advertisement issued by way of display or exhibition in a public place shall be treated as issued on every day on which it is so displayed or exhibited, but in proceedings brought by virtue of this subsection in a case where the display or exhibition began before the date of the coming into force of this section, it shall be a defence to show that the defendant had taken all reasonable steps to secure that the display or exhibition was terminated before the date.

## 7 Display of information in shops

- (1) In the case of every shop in which a trading stamp scheme is operated—
  - (a) there shall be kept posted a notice stating the cash value of the trading stamps issued under the scheme and giving such particulars as will enable customers readily to ascertain the number of trading stamps, if any, to which they are entitled on any purchase or other transaction, and
  - (b) if any current catalogue has been published for the trading stamp scheme by or on behalf of the promoter, a copy of that catalogue shall be kept where it can be conveniently consulted by customers.
- (2) A notice under this section shall be posted in such characters and in such a position as to be conveniently read by customers.
- (3) If without reasonable excuse any of the foregoing provisions of this section are not complied with in the case of any shop, the occupier or other person having control of the shop shall be liable on summary conviction to a fine not exceeding twenty pounds.
- (4) If any person pulls down, injures or defaces any notice posted in pursuance of this section, he shall be liable on summary conviction to a fine not exceeding twenty pounds.
- (5) In this section " current catalogue" means any such catalogue as is described in section 5(1) of this Act, being a catalogue which has not been superseded or withdrawn.

## 8 Offences committed by corporations

Where any offence under this Act committed by a corporation is proved to have been committed with the consent or connivance of any director, manager, secretary or other officer of the corporation, he, as well as the corporation, shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

## 9 Venue in summary proceedings

Summary proceedings against a person for an offence under this Act may be taken before the court having jurisdiction in the place where that person is for the time being or, in the case of a body corporate, for the time being has a place of business.

## 10 Interpretation

(1) In this Act, unless the context otherwise requires, the following expressions have the meanings hereby assigned to them respectively, that is to say—

" cash value " means, in relation to any trading stamp, the value stated on such stamp;

" corporation " means any body corporate, whether incorporated in Great Britain or elsewhere ;

" goods " includes vehicles, vessels, aircraft and animals, and generally includes articles and property of any description;

" purchase " includes acquisition by way of hire-purchase within the meaning of the Advertisements (Hire-Purchase) Act 1957;

" to redeem " means, in relation to any trading stamps, to exchange such stamps (whether by delivering up the stamps or by suffering the same to be cancelled or otherwise howsoever) for money or for goods or for any other benefit, allowance, concession or advantage (but not including the service or repair by the seller or manufacturer of the goods upon or in connection with the purchase of which the stamps are delivered or the replacement of such goods if defective); and the expressions " redeemable " and " redemption " shall be construed accordingly;

" shop " includes any premises, and any vehicle, stall or place other than premises, on or in which any retail trade or business is carried on;

" stamp " means any stamp, coupon, voucher, token or similar device, whether adhesive or not, other than lawful money of the realm;

" stamp book " means a book or similar article in or to which it is intended that trading stamps shall be affixed;

" trading stamp " means a stamp which is, or is intended to be, delivered to any person upon or in connection with the purchase by that person of any goods (other than a newspaper or other periodical of which the stamp forms part or in which it is contained) and is, or is intended to be, redeemable (whether singly or together with other such stamps) by that or some other person:

Provided that a stamp shall not be deemed to be a trading stamp if—

- (a) it is delivered or is intended to be delivered to a person (in this definition called "the purchaser ") upon or in connection with the purchase of any goods by the purchaser, and
- (b) it is not intended to be, and is not, redeemable from any person other than (i) the person (in this definition called " the seller")' from whom the purchaser purchased those goods or (ii) any person from whom the seller (whether directly or indirectly) acquired those goods, and
- (c) in the case where a business is carried on at six or more separate retail establishments, the stamp is one of a kind obtainable at no more than six of those retail establishments, and not obtainable by the public elsewhere, and the arrangements under which it is redeemable are

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*Status: This is the original version (as it was originally enacted).*

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entirely separate from arrangements under which any other stamps, whether trading stamps or not, are redeemable, and references in this definition to the purchase of goods include references to the obtaining of services for money;

" trading stamp scheme " means any arrangements for making trading stamps available for use in shops or elsewhere, together with arrangements for their redemption, and " promoter ", in relation to a trading stamp scheme, includes, in a case where a person carrying on a retail trade or business assumes responsibility for the redemption of trading stamps, that person.

- (2) For the purposes of this Act, a person shall be deemed to be a director of a corporation if he occupies in relation thereto the position of a director, by whatever name called, or is a person in accordance with whose directions or instructions the directors of the corporation or any of them act:

Provided that a person shall not, by reason only that the directors of a corporation act on advice given by him in a professional capacity, be taken to be a person in accordance with whose directions or instructions those directors act.

## 11 Short title, extent and commencement

- (1) This Act may be cited as the Trading Stamps Act 1964.
- (2) This Act shall not extend to Northern Ireland.
- (3) Section 1 of this Act shall come into force at the expiration of a period of six months beginning with the date of the passing of this Act, and sections 2 to 7 of this Act shall come into force at the expiration of a period of twelve months beginning with that date.

### TABLE OF STATUTES REFERRED TO IN THIS ACT

Short Title	Session and Chapter
Industrial and Provident Societies Act 1893	56 & 57 Vict. c. 39.
Registration of Business Names Act 1916	6 & 7 Geo. 5. c. 58.
Companies Act 1948	11 & 12 Geo. 6. c. 38.
Advertisements (Hire Purchase) Act 1957	5 & 6 Eliz. 2. c. 41.