



Supply of Goods (Implied Terms) Act 1973

1973 CHAPTER 13

Hire-purchase agreements

[^{F1}10 Implied undertakings as to quality or fitness.

- (1) Except as provided by this section and section 11 below and subject to the provisions of any other enactment, including any enactment of the Parliament of Northern Ireland or the Northern Ireland Assembly, there is no implied [^{F2}term] as to the quality or fitness for any particular purpose of goods bailed or (in Scotland) hired under a [^{F3}relevant hire-purchase agreement].
- [Where the creditor bails or hires goods under a [^{F3}relevant hire-purchase agreement]
- ^{F4}(2) in the course of a business, there is an implied term that the goods supplied under the agreement are of satisfactory quality.
- (2A) For the purposes of this Act, goods are of satisfactory quality if they meet the standard that a reasonable person would regard as satisfactory, taking account of any description of the goods, the price (if relevant) and all the other relevant circumstances.
- (2B) For the purposes of this Act, the quality of goods includes their state and condition and the following (among others) are in appropriate cases aspects of the quality of goods—
- (a) fitness for all the purposes for which goods of the kind in question are commonly supplied,
 - (b) appearance and finish,
 - (c) freedom from minor defects,
 - (d) safety, and
 - (e) durability.
- (2C) The term implied by subsection (2) above does not extend to any matter making the quality of goods unsatisfactory—
- (a) which is specifically drawn to the attention of the person to whom the goods are bailed or hired before the agreement is made,

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- (b) where that person examines the goods before the agreement is made, which that examination ought to reveal, or
- (c) where the goods are bailed or hired by reference to a sample, which would have been apparent on a reasonable examination of the sample]

^{F5}(2D)

^{F5}(2E)

^{F5}(2F)

- (3) Where the creditor bails or hires goods under a [^{F3}relevant hire-purchase agreement] in the course of a business and the person to whom the goods are bailed or hired, expressly or by implication, makes known—
 - (a) to the creditor in the course of negotiations conducted by the creditor in relation to the making of the [^{F3}relevant hire-purchase agreement], or
 - (b) to a credit-broker in the course of negotiations conducted by that broker in relation to goods sold by him to the creditor before forming the subject matter of the [^{F3}relevant hire-purchase agreement],

any particular purpose for which the goods are being bailed or hired, there is an implied [^{F6}term] that the goods supplied under the agreement are reasonably fit for that purpose, whether or not that is a purpose for which such goods are commonly supplied, except where the circumstances show that the person to whom the goods are bailed or hired does not rely, or that it is unreasonable for him to rely, on the skill or judgment of the creditor or credit-broker.

- (4) An implied condition or warranty as to quality or fitness for a particular purpose may be annexed to a [^{F3}relevant hire-purchase agreement] by usage.
- (5) The preceding provisions of this section apply to a [^{F3}relevant hire-purchase agreement] made by a person who in the course of a business is acting as agent for the creditor as they apply to an agreement made by the creditor in the course of a business, except where the creditor is not bailing or hiring in the course of a business and either the person to whom the goods are bailed or hired knows that fact or reasonable steps are taken to bring it to the notice of that person before the agreement is made.
- (6) In subsection (3) above and this subsection—
 - (a) “ credit-broker ” means a person acting in the course of a business of credit brokerage;
 - (b) “ credit brokerage ” means the effecting of introductions of individuals desiring to obtain credit—
 - (i) to persons carrying on any business so far as it relates to the provision of credit, or
 - (ii) to other persons engaged in credit brokerage.]

[^{F7}(7) As regards England and Wales and Northern Ireland, the terms implied by subsections (2) and (3) above are conditions.]

^{F8}(8)

Textual Amendments

F1 S. 10 substituted by [Consumer Credit Act 1974 \(c. 39\), s. 192\(4\), Sch. 4 para. 35](#)

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- F2** Words in s. 10(1)(4) substituted (3.1.1995) by 1994 c. 35, ss. 7, 8(2), **Sch. 2 para. 4(4)(b)** (with s. 8(3))
- F3** Words in Act substituted (1.10.2015) by Consumer Rights Act 2015 (c. 15), s. 100(5), **Sch. 1 para. 2; S.I. 2015/1630, art. 3(g)** (with art. 6(1))
- F4** S. 10(2)(2A)-(2C) substituted (3.1.1995) for s. 10(2)(a)(b) by 1994 c. 35, ss. 7, 8(2), Sch. 2 para. 4(4) (a) (with s. 8(3))
- F5** S. 10(2D)-(2F) omitted (1.10.2015) by virtue of Consumer Rights Act 2015 (c. 15), s. 100(5), **Sch. 1 para. 3(2); S.I. 2015/1630, art. 3(g)** (with art. 6(1))
- F6** Word in s. 10(4) substituted (3.1.1995) by 1994 c. 35, ss. 7, 8(2), **Sch. 2 para. 4(4)(b)** (with s. 8(3))
- F7** S. 10(7) inserted (3.1.1995) by 1994 c. 35, ss. 7, 8(2), **Sch. 2 para. 4(4)(c)** (with s. 8(3))
- F8** S. 10(8) omitted (1.10.2015) by virtue of Consumer Rights Act 2015 (c. 15), s. 100(5), **Sch. 1 para. 3(3); S.I. 2015/1630, art. 3(g)** (with art. 6(1))

Modifications etc. (not altering text)

- C1** S. 10 amended by Unfair Contract Terms Act 1977 (c. 50, SIF 30), **ss. 6(2)(b), 20(2)(b)**

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