

EXPLANATORY NOTE

Section 13 of the Supply of Goods and Services Act 1982 provides that, in a contract for the supply of a service where the supplier is acting in the course of a business, there is an implied term that the supplier will carry out the service with reasonable care and skill. Section 16 provides for such a term to be negated or varied by express agreement between the parties to the contract.

The Secretary of State has power, under section 12(4), to provide by order that section 13 shall not apply to services of a description specified in the order.

This Order provides that section 13 shall not apply to the services rendered to a building society by a director of the society, or those rendered to an industrial or provident society by a member of its committee of management or other directing body.

The degree of care and skill which such directors and managers owe to their societies in cases where the subject is not specifically covered in their contract will, as in the case of directors of companies—see the Supply of Services (Exclusion of Implied Terms) Order 1982 (S.I. 1982/1771)—accordingly continue to be governed by the common law (which imposes a duty of care on them), rather than by Section 13 of the 1982 Act.