
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations implement Directive [1999/44/EC](#) of the European Parliament and of the Council of 25th May 1999 on certain aspects of the sale of consumer goods and associated guarantees, referred to below as “the Directive” (OJNo. L 171, 7.7.99, p. 12).

The Regulations make amendments to existing legislation on the sale and supply of goods and unfair terms in order to provide additional remedies to consumers in certain circumstances. The Regulations also contain provisions on the legal status of guarantees offered to consumers and place obligations on guarantors in relation to such guarantees.

Regulation 3 makes amendments to section 14 of the Sale of Goods Act 1979 (“the 1979 Act”) in order to give effect to the provisions of Article 2 of the Directive which relate to the seller’s liability for public statements made by the seller, the producer or his representative.

Regulation 4 makes amendments to the rules in the 1979 Act governing passing of risk and acceptance of goods in consumer cases.

Regulation 5 introduces a new Part 5A into the 1979 Act in order to give effect to the new rights for consumers set out in Article 3 of the Directive. Where goods fail to conform to the contract of sale at the time of delivery, then under Part 5A the buyer firstly has the right to require the seller to repair or replace the goods within a reasonable time and without causing significant inconvenience to the buyer. If repair or replacement is impossible or disproportionate, or if the seller fails to repair or replace the goods within a reasonable time and without significant inconvenience to the buyer, then the buyer may require the seller to reduce the purchase price of the goods by an appropriate amount, or rescind the contract.

Regulations 7 and 8 make amendments to the Supply of Goods and Services Act 1982 (“the 1982 Act”) for England and Wales and Scotland respectively in order to give effect to the provisions of Article 2 of the Directive which relate to the transferor’s liability for public statements made by the transferor, the producer or his representative.

Regulation 9 introduces a new Part 1B into the 1982 Act in order to give effect to the new rights for consumers set out in Article 3 of the Directive. Where goods fail to conform to the contract of sale at the time of delivery, then under Part 1B the transferee firstly has the right to require the transferor to repair or replace the goods within a reasonable time and without causing significant inconvenience to the transferee. If repair or replacement is impossible or disproportionate, or if the transferor fails to repair or replace the goods within a reasonable time and without significant inconvenience to the transferee, then the transferee may require the transferor to reduce the purchase price of the goods by an appropriate amount, or rescind the contract.

Regulation 10 makes amendments to the 1982 Act in relation to the hire of goods by consumers in England and Wales which shadow the changes made to the 1979 Act by Regulation 3.

Regulation 11 makes amendments to the 1982 Act in relation to the hire of goods by consumers in Scotland which shadows the changes made to the 1979 Act by Regulation 3.

Regulation 13 makes amendments to the Supply of Goods (Implied Terms) Act 1973 in relation to the hire-purchase of goods by consumers which shadow the changes made to the 1979 Act by Regulation 3.

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

Regulation 14 makes amendments to the Unfair Contract Terms Act 1977. The definition of “Dealing as consumer” is modified in that the condition in section 12(1)(c) does not apply where the consumer is an individual. Changes are also made to section 12(2) concerning sales at auction.

Regulation 15 provides that where goods are sold or otherwise supplied to a consumer which are offered with a consumer guarantee, the consumer guarantee takes effect as a contractual obligation. The Regulation sets out the requirements for the form and content of consumer guarantees and gives powers to enforcement authorities to apply for an injunction or (in Scotland) an interdict against the guarantor or offeror in the event of non-compliance.

A transposition note setting out how the main elements of the Directive are transposed into law and a regulatory impact assessment have been placed in the libraries of both Houses of Parliament. Copies are also available from the Consumer and Competition Policy Directorate, Department of Trade and Industry, 1 Victoria Street, London SW1H 0ET.