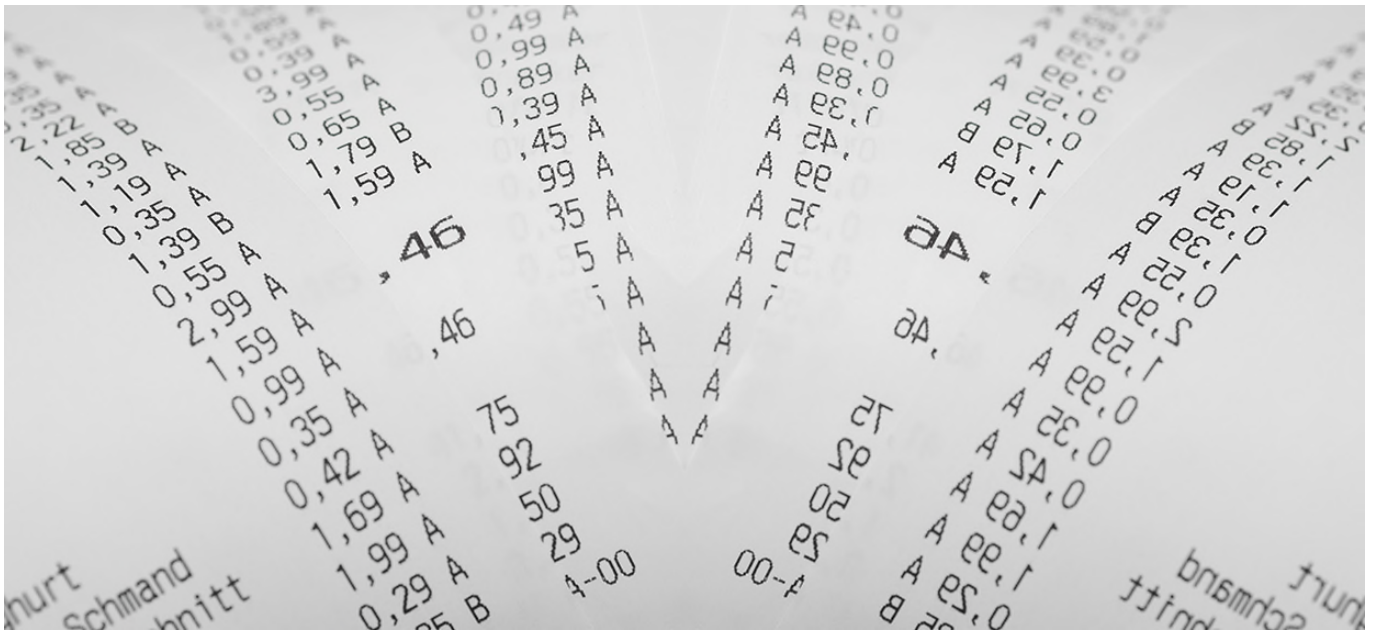


# 6 MONTHS ON: CONSUMER RIGHTS ACT

## Damp squib or calm before the storm?



It has now been six months since the principal provisions of the Consumer Rights Act (the Act) came into force on 1 October 2015. The Act set out a framework that overhauled consumer rights and remedies in relation to defective goods, services and digital content and provided clarity in relation to consumer rights and in particular the remedies available. It also updated the law relating to unfair terms in consumer contracts, provided better means for consumers and small to medium-sized enterprises to challenge anti-competitive behaviour and consolidated enforcers' powers to investigate breaches of consumer law.

Following a flurry of activity prior to the Act coming into force, there has been very little information from many businesses, about what action, if any, they have taken to update their policies and procedures and to ensure that they are compliant with the legislation. We are also still awaiting the first claims brought under the Act, which are yet to come before the courts.

### Key rights under the Act

- ▶ Goods must be of satisfactory quality (section 9), fit for purpose (section 10) and match the model seen (section 14)
- ▶ Goods must be installed correctly (section 15)
- ▶ Goods must be delivered within the agreed time or if no time has been agreed within 30 days (section 28)
- ▶ Digital content must be of satisfactory quality (section 34), fit for purpose (section 35) and as described (section 36)
- ▶ Services must be provided with skill and care (section 49)

This would suggest that, since it came into force, the full implications of the Act have not been widely considered. We believe that the enhanced consumer rights provided in the Act together with the requirement (under the Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015) for traders to provide consumers with details of an alternative dispute resolution provider, should mark a change in the relationship between businesses and their consumers. We anticipate that business will be forced to make changes once cases start to come before the courts, consumer

law enforcers begin to exercise the full range of powers granted to them, and in particular the right to reject products and we start to see judges punishing those businesses who have failed to comply with the strict remedies set out in the Act.

#### Key remedies under the Act

- ▶ Short term right to reject within 30 days (sections 20 – 22)
- ▶ The right to repair or replacement at any time during the first 6 months (section 23)
- ▶ If the goods are not repaired or replaced the right to price reduction or final right to reject (section 24)
- ▶ For digital content the right to repair or replacement (section 43) or if repair or replacement isn't possible the right to a price reduction (section 44)

We are expecting the first few cases to come before the courts within the next few months and believe this will act as a catalyst for change for those businesses who have not yet updated the way in which they do business. We will keep you informed of any developments as and when they arise.

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