

THE RETAIL AND CONSUMER HUB

Welcome to our May R&C newsletter. This month has seen some major retailer news stories, with former stalwarts of the high street, BHS and Austin Reed both entering administration. BHS in particular has generated column inches that rival in number the size of its pension deficit, and that looks to be a story that will continue to run. In this edition, our specialists take a look at the demise of BHS and the key issues that contributed to its failure. We also look at the "Sugar Tax" announced by the Chancellor back in March's Budget and whether drinks manufacturers will mount a legal challenge to the proposed law. We also have a view on the issue from our Mexican colleagues at law firm Garrigues, as a very similar tax was introduced in Mexico a couple of years ago. We're also very grateful to our colleagues in Germany, France and the CEE region for their contributions on a range of retail and consumer issues including Sunday trading, consumer dispute resolution and the new Tobacco Act.

As a retail and consumer specialist who focuses on litigation, I'm very interested in how, six months in, the 2015 Consumer Rights Act is working in practice, and whether retailers have changed their approach to customer complaints and defective products. Although we have not yet seen a case in court, I am particularly interested to see how the 30 days rejection rights will be interpreted and how the courts balance the rights of the consumers with those of the retailers and manufacturers.

We hope you enjoy our newsletter. As always, if there are any topics that you would be interested in being covered in future editions of this newsletter, please get in touch and let us know.



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News from this month



Surprise for soft drink manufacturers

When George Osborne announced his plans to implement a sugar tax on soft drinks from 2018, many food and drink manufacturers were left in a state of surprise. Now, though, the tax and its implications are facing mounting scrutiny. Could a legal challenge be brewing?

We also hear from our colleagues at Garrigues in Mexico about how the Sugar Tax has worked there.

[Click here to read more.](#)

Bang goes BHS

BHS hit the headlines in April when it entered administration with a £571m pension deficit. Here Addleshaw Goddard's Retail and Consumer team assesses a bleak situation for a former giant of Britain's high streets...

[Click here to read more.](#)

Q&A: Apprenticeship Levy

George Osborne announced the Apprenticeship Levy back in 2015's Autumn Statement. Here Employment Partner Sally Hulston looks at what this new tax is and how it will be calculated.

[Click here to read more](#)

Reflecting on...



Profitable partnerships

Addleshaw Goddard's International Arbitration team in Dubai has recently resolved a long-running dispute between a distributor and its joint venture partner, a well-known luxury brand. The experience provides a cautionary tale for retail joint ventures in foreign jurisdictions. [Here Paul Hughes, from our Dubai office, offers his top tips for successful joint ventures.](#)

National Living Wage – the story so far

Within weeks of the introduction of the National Living Wage on 1 April 2016, there have been reports that some employers have reduced hours, pay rates and other benefits to offset the cost of raising the wage floor. What has the response been?

[Click here to read more](#)

Consumer Rights Act – 6 months on

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. What action has been taken so far?

[Click here to read more](#)

Upcoming Events



12 May, Manchester 08:30-10:00

Employment update: National Living Wage, Apprenticeship Levy, Sunday Trading and Zero Hour Contracts

24 May, London 16:30 – 19:00

How to survive a cyber attack – and ensure your reputation survives too

26 May, Leeds 8:30 – 10:30 / 6 June, London 2:30 – 5:30

How to prepare for the GDPR – what to do and when to do it

To register for any of these events, please contact [Alyce Wood](#).

Our Retail Week Articles



We are exclusive legal contributors to the sector's most coveted publication.

In this month's article, we look at how the cost of unauthorised use of celebrity endorsements and how businesses could be prosecuted for using names and images of high profile individuals.

[Click here to read the full article](#)



International Spotlight

Huge thanks to our **Noerr** contributors in Germany, Poland, Hungary, Czech Republic, Romania, Slovakia and **August & Debouzy** in France.

Noerr

[New Tobacco Products Act in Germany](#)

Shocking pictures, prohibition of characteristic aromas and a new legal environment for e-cigarettes. German tobacco law has taken a comprehensively new direction with the new Tobacco Products Act which came into effect on 8 April 2016.

[Dismissal due to physical and/or mental inability in Romania](#)

The termination of contracts due to physical or mental inability to work. The Supreme Court finds that the occupational physician's evaluation is the competent body of medical expertise in determining the physical and/or mental inability of employees.

[New call on the state aid scheme in Romania](#)

The Ministry of Public Finance has just announced officially the opening of the state aid scheme regulated by Government for financing salary costs.

[Czech Republic and the EU: Resolving unrecognised warranty claims online?](#)

Since February, out-of-court settlement disputes have been functioning in the Czech Republic, brought about (amongst other things) but an amendment to the Consumer Protection Act.

[Can completely true statements be misleading?](#)

The Czech Supreme Court has recently ruled on the issue of whether a true statement in advertising may be inconsistent with competition regulations, and may therefore be considered unfair conduct.

[Trade unions wish to impose Sunday trading ban in Poland](#)

The biggest Polish trade union is calling for a law prohibiting Sunday trading, indicating that employees in the retail sector are tired of working seven days a week without reasonable time for their family life.

[Sunday Shopping in Hungary](#)

Since the law banning most retail stores from opening on Sunday was unpopular with most of the population, the Government has repealed two relevant legal measures and shops can now open again.

August & Debouzy

[Consumer Alternative Dispute Resolution in France](#)

Since 1 January 2016, all professional traders must fully comply with the new alternative dispute resolution mechanism.

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