businesscompanion
trading standards law explained

Model contract terms

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In this guide, the words 'must' or 'must not' are used where there is a legal requirement to do (or not do) something. The word 'should' is used where there is established legal guidance or best practice that is likely to help you avoid breaking the law.

Introduction

If you sell goods online, one option for creating terms and conditions (Ts & Cs) is to use our suggested model terms below. Some may need to be adapted to suit your business model, but they should save you time and money and can help you to be legally compliant.

The terms have been designed to be as short and straightforward as possible, while still helping to protect your legal position. For example, if you don't have a term requiring the consumer to pay whatever it costs to return goods cancelled during the cooling-off period of 14 days, you will have to pay it. The laws provide fairness to both parties, business and consumer.

Some businesses may consider copying and pasting some Ts & Cs from the internet. However, quite apart from a possible copyright breach, this is a dangerous approach. There is no guarantee that the Ts & Cs will be compliant with consumer law or provide the protection you need. Furthermore, they may have been designed for commercial business-to-business contracts and so be unsuitable for business-to-consumer sales.

This guidance provides a set of model terms to help internet retailers comply with consumer protection laws. The guidance applies to businesses selling goods to consumers in the UK. The terms are relevant to a range of selling mechanisms, including your own e-commerce website, on an online marketplace, through social media platforms, or via any other platform on which you sell and which is operated by another business.

Alongside this guidance, the international Standard BS ISO 21800:2025 *Guidance for organisations to increase consumer understanding of online terms and conditions* is a useful tool for business that enter into contracts with consumers online. It covers contracts for products, subscription-based services, financial services, and so on, including contracts entered into via digital platforms (social media, for example). The Standard applies equally to contracts with consumers in the UK and abroad.

Why contract terms are important

For your terms to have legal effect, they must be part of your contract with the consumer and so must be communicated effectively before a purchase is made. Terms introduced after a purchase is completed have no legal effect and cannot be enforced. The terms must be on your website or in the pages that you use on another platform (such as an online marketplace like eBay). They must not be hidden away or obscured, but instead be prominent, unambiguous and clear. Reiteration of the terms during the buying process is best practice and will contribute to ensuring that the contract formed contains everything that you require.

While it is likely that you will have full control over the presentation of the information if your business has its own e-commerce website, there will be some limitations and restrictions in relation to other online platforms. That does not change the fact that you are the seller, and it is your legal duty to ensure that the necessary information is communicated to buyers.

In addition to the pre-contract information, many of the terms must be sent to the consumer after purchase in a 'durable medium' such as email. For more information on this, see the 'Confirming distance contracts' section of 'Consumer contracts: distance sales'.

Using the model terms

Some of the model terms in this document can simply be copied as they are; others need to be adapted using the guidance given below.

These terms can provide a basis for complying with consumer laws. You may require other terms in relation to other areas of law such as health and safety or data protection. You may also need to include further consumer-related terms in relation to the specifics of your business.

Business customers and consumers do not automatically enjoy the same level of legal protection. It is therefore permitted to have different sets of terms for different types of customers. However, it can be difficult to identify whether a buyer is a consumer or a business, and many retailers will find it simpler to apply the same terms and conditions to all purchases. If you do decide to apply different terms to different customers, you will probably need to take specialist legal advice.

Customers outside the UK are in a different legal jurisdiction, which means that your terms may not be legally binding on them. You should bear this in mind (and possibly take specialist legal advice) before deciding whether to sell internationally.

Business Companion contains detailed guidance about the legal requirements and you can also contact your local Trading Standards service. Simply enter your postcode into this online search tool for contact details.

Model terms

In this section, the bold text in each box is a 'model term' that you can use when you sell goods online to consumers. It is followed by extra information that explains more about the term and why it is necessary.

The terms marked '#' are only required if they are relevant to your business. All quotations are taken from the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013, unless otherwise stated.

Status of terms

> **Please read these terms and conditions carefully as they are intended to form the basis of our contract with you. You may wish to keep an electronic or paper copy of them for future reference.**

Contract formation in law is based around the concept of 'offer and acceptance'. For terms and conditions to have legal effect, consumers must be aware of them before they agree to buy something. It is a good idea to bring the terms and conditions to the attention of the consumer during the online buying process, with a view to ensuring that they form part of the legal contract.

You should not rely solely on a declaration that the buyer has read and understood the terms and ticked a box accordingly.

Identification of seller

> ***# (when selling on another business's platform such as an online marketplace or social media)*** **These goods or services are supplied by *(name of your business)* and your contract is with us and not with *(name of the platform operator).***

It is important that the buyer knows from whom they are buying so that they can exercise their consumer rights if necessary. Additionally, if this is not clear, you may not be able to exercise your legitimate

contractual rights against the buyer.

Identity of business

> **We are:**
> ***(name of your business)***
> **We can be contacted through these details:**
> ***(full postal address)***
> ***(email address)***
> ***(telephone number)***
> ***# (VAT number)***
> ***# (company registration number)***

If you are a limited company, you must state the full corporate name. If you are a sole trader or partnership, you must state the name(s) of the proprietor(s). Supplying a telephone number is likely to be the easiest and most obvious way to comply with the requirement in the Electronic Commerce (EC Directive) Regulations 2002 for you to provide contact details "which make it possible to contact [you] rapidly and communicate with [you] in a direct and effective manner". There may be alternatives.

It is a requirement that you provide a full postal address so that consumers can write to you formally and, if necessary, serve court papers. If you use a mail forwarding company then they must ensure that all of the mail is forwarded on to the business.

Contract formation

> **When you order goods or services from us online you are making a legal offer to buy. A contract is only formed when we reply to you to accept your offer and we will not take payment from you until we have accepted your order. If we do not accept the offer because we are unable to supply the goods or services requested, or for any other reason, we will respond promptly to make you aware, and no charge will be made.**

Formation of contract in law is not always a straightforward matter, including where goods are ordered online. By stating explicitly that the consumer is making an offer to buy, you are bringing clarity and should be able to make the correct business decision.

In most cases you will simply accept the consumer's offer, but there may be cases where you unexpectedly are unable to easily source goods, or where you have made an error by significantly underestimating price, or you inadvertently misrepresent some aspect of the product. In any event, if you do decide to not accept the offer, this must be communicated promptly and clearly.
After any offer is accepted, you must honour the contract in full. Any errors in your product information

must be immediately corrected and steps taken to prevent such errors being repeated.

Product information

> ***(state the main characteristics of the product)*.**

The length and detail of information required will vary according to the product involved. A clear photograph accompanied by some key information will often be sufficient and, in many cases, you will be providing this information anyway in a bid to promote the product for sale. Any important features or issues that are not otherwise apparent should be stated.

Price

> ***(state the total price of a product, including any mandatory fees, taxes, charges, etc)*.**

All products for sale must have the total price indicated, inclusive of VAT and any other taxes, charges or other payments that the consumer will necessarily incur if they purchase the products.

Ordering goods

> **You can order goods by *(state the steps required for placing an order).* When you click on *(state wording used to indicate obligation to pay - for example, 'buy now')* you are under an obligation to pay.**

You must ensure that when placing an order, a buyer "explicitly acknowledges that the order implies an obligation to pay". One way to do this is to require the consumer to click an appropriately labelled 'button'; something like 'order with obligation to pay' is ideal, but 'buy now', 'pay now' and similar phrases are likely to be sufficient as long as the overall effect is clear to the consumer. Failure to take these steps may mean that the consumer is not bound to pay.

> **We accept the following means of payment: *(state what means of payment are***

> ***accepted)*.**

For example, credit and debit cards, and online payment systems such as PayPal.

Delivery of goods

> **The following delivery charges apply: *(state full list of delivery charges)*.**

Delivery charges must be indicated, and if these vary according to the geographical location of the buyer, this must be brought clearly to their attention prior to purchase. There must be no hidden surcharges. A schedule of charges related to postcodes is a common mechanism used. This can be supplemented by a 'postcode finder' tool whereby the buyer enters their postcode and a delivery charge is calculated.

> ***# We do not deliver to the following postcodes / locations: (state any UK postcodes or locations to which you do not deliver)*.**

This must be brought to the buyer's attention before, or when, the order process begins. Declaring this clearly pre-contract will ensure that you do not accidentally create obligations to consumers to whom you are not able to deliver goods.

> **Purchases are delivered *(state arrangements for delivery, including an indication of timescale).***

You must state "the time by which [you undertake] to deliver the goods". Doing so protects you against any possible timescale demands from the buyer that are not achievable.

Delivery arrangements may include plans in the event of no one being available at the time of delivery - for example, return to a pick-up point or leave with a neighbour.

Cancellation and returns

> **You may cancel the purchase at any time up to 14 days after delivery unless the goods are exempt from cancellation *(state goods exempt from cancellation).***

Some goods are exempt from cancellation (see the 'Contracts with no right to cancel' section of 'Consumer contracts: distance sales'). You must offer cancellation on other goods and buyers are not required to give a reason for choosing to cancel. Failure to indicate cancellation rights extends the cancellation period to up to 12 months from the day after the normal cancellation period would have ended.

> **If you choose to cancel, please contact us, preferably by sending an email to *(state email address)*. You may use the model cancellation form at the end of these terms, but you do not have to.**

You must bring the model cancellation form to the attention of buyers, but they do not have to use it to cancel; instead they must give a "clear statement setting out the decision to cancel". In principle, this can be done orally (for example, over the telephone) but it is reasonable for you to prefer to have this in writing for full clarity. You may wish to also offer other methods of written communication for consumers to cancel, such as completing an online form, sending an SMS text message, or writing to a postal address.

> **If you cancel your purchase, you must arrange and pay for the goods to be returned to us at *(state postal address to which goods should be returned)*. You must do this within 14 days of notifying us of your wish to cancel.**

Failure to include this as a term would mean that you would be unable to require the consumer to cover this cost. You may prefer that the consumer returns the goods by handing over to a carrier of your choosing, although any charges relating to this must be reasonable.

> **If you cancel and return the goods as described above, we will refund the full purchase price, including the original delivery charge, on the condition that you have not used the goods or otherwise handled them so that their value is reduced. If you have handled the goods so as to reduce their value, we may deduct an amount from the refund that is proportionate to this reduction. Refunds are provided within 14 days of our receipt of the returned goods.**

The principle is that an online buyer must be able to inspect goods in a similar manner to a consumer in a physical shop. But if "the value of the goods is diminished by any amount as a result of handling of the goods by the consumer beyond what is necessary to establish the nature, characteristics and functioning

of the goods", you may make a proportionate deduction from the refund, "up to the contract price". You must refund within 14 days.

> **You have the right to receive a refund for goods cancelled in accordance with the above terms. However, if you would prefer to receive alternative equivalent goods from us, or a credit note, please let us know and we can consider appropriate options.**

Consumers have a right to a refund for goods cancelled in accordance with the Regulations and they must be informed of this. But there is no harm in you also suggesting other options which may suit your business better, as long as you do not try to make these compulsory.

Consumer rights

> **If you buy goods from us, we have a legal obligation to supply goods that are in conformity with the contract.**

This may seem obvious, but there is a legal requirement to state this.

> **If goods are faulty, the processes and timescales above under 'Cancellation and returns' do not apply, and we will deal with the problem according to your consumer buying rights. If you think there is a problem with goods purchased from us, please contact *(state preferred mechanisms for consumer to make enquiry).***

Various legal rights automatically apply (for example, goods must be of satisfactory quality and as described) and 14-day timescales applicable in relation to no-fault cancellation do not apply. Further information can be found in 'Selling and supplying goods'.

After-sales service and codes of conduct

> **# We offer the following after-sales service: *(state services offered)*.**
>
> **# We subscribe to the following code of conduct: *(state details)*.**

> **# Goods sold by us are subject to the following warranties: *(state details)*.**
>
> **# We will agree to submit unresolved disputes to the following 'alternative dispute resolution' (ADR) scheme: *(state details)*.**
>
> **# These provisions do not affect, and are in addition to, your legal buying rights *(see 'Consumer rights' above)*.**

You must comply with the consumer rights requirements above. You may also offer additional services that go beyond these statutory rights through after-sales, codes of conduct or warranties. Examples of relevant codes of conduct include trade association schemes and local trading standards approved trader schemes. ADR is a broad term covering schemes where disputes are resolved as an alternative to court action.

Model cancellation form

> **To *(here the trader's name, geographical address and, where available, fax number and email address are to be inserted by the trader)*:**
>
> **I / We *(*)* hereby give notice that I / We *(*)* cancel my / our contract of sale of the following goods *(*)* / for the supply of the following service *(*)*,**
>
> **Ordered on *(*)* / received on *(*)*,**
>
> **Name of consumer(s),**
>
> **Address of consumer(s),**
>
> **Signature of consumer(s) *(only if this form is notified on paper)*,**
>
> **Date**
>
> ***(*) Delete as appropriate***

This model cancellation form is taken from the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 (see 'Cancellation and returns' above).

Trading Standards

For more information on the work of Trading Standards services and the possible consequences of not abiding by the law, please see 'Trading Standards: powers, enforcement and penalties'.

In this update

Reference added to the international Standard BS ISO 21800:2025 *Guidance for organisations to increase consumer understanding of online terms and conditions*.

Last reviewed / updated: March 2026

Key legislation

- Electronic Commerce (EC Directive) Regulations 2002
- Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013
- Digital Markets, Competition and Consumers Act 2024

Please note

This information is intended for guidance; only the courts can give an authoritative interpretation of the law.

The guide's 'Key legislation' links may only show the original version of the legislation, although some amending legislation is linked to separately where it is directly related to the content of a guide. Information on changes to legislation can be found by following the above links and clicking on the 'More Resources' tab.

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