

businesscompanion

trading standards law explained

Good practice

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The law states that businesses should treat consumers fairly

There is legislation that covers commercial practices between traders and consumers connected with the promotion, sale or supply of goods and services to consumers. This law sets out rules about trading fairly, and affects most areas of business-to-consumer trading.

Trading fairly

The law sets out a range of commercial practices that are unfair (that is, illegal) if they cause a customer to make a different decision from the one they would normally have made:

- you must not mislead customers; this includes both acting and failing to act
- you must not act aggressively; this includes coercion or undue influence

One example of a general unfair practice is that you must not display signs - such as 'No refunds' or 'Sold as seen' - that would appear to take away a consumer's statutory rights. A customer is entitled to redress in the event of faulty or misdescribed goods, subject to the conditions set out in the 'Goods' and 'Digital' Quick Guides.

There are also specific practices that are always unfair regardless of the customer's decision (see '**What must I never do?**' below).

How should I describe products?

You should always be sure that any descriptions of your products are accurate ('products' is defined very broadly and includes goods, services, digital content, rights and obligations).

The law states that your descriptions should not give false information, nor should they deceive - or be likely to deceive - a consumer, which then makes them act in a different way. For example, a consumer might buy an item that they would not have if the description hadn't been misleading.

What do I have to tell the consumer?

Consumers need certain information before they can make an informed decision whether to make a purchase or employ a service. You must inform customers of all the relevant information they need to make this decision.

This means that you may have to disclose negative information too - for example, where a car trader is selling a car they know was an insurance write-off. This information may cause a consumer to make a different decision.

You must also be careful that as well as not mentioning such information, you must not hide it away or provide it in a manner that is unclear, unintelligible, ambiguous or untimely.

When is something an aggressive practice?

The law prohibits aggressive commercial practices that intimidate or exploit consumers.

A **commercial practice** is **aggressive** if it ...
significantly impairs (or is likely to significantly impair) ...
the **average consumer's** freedom of choice or conduct ...
in relation to **goods or services** through ...
the use of **harassment, coercion** or **undue influence**

What must I never do?

The law specifies 31 banned practices that are considered unfair in all circumstances. These practices include false claims of membership of trade associations, running pyramid schemes or bogus prize draws, aggressive sales techniques and inertia selling.

Effect on consumer contracts

In addition to rights concerning refunds, repairs and replacements for faulty goods and services, the law also gives consumers the right to unwind a contract, claim a discount or claim damages from you if you mislead a consumer or engage in an aggressive trading practice that persuades them to go ahead with the contract or make a payment to you.

For more detailed information please see the In-depth Guides below. Once you've finished, make sure you look at the full range of Quick Guides to see whether there are any other areas of law that affect your business.

Before you start

Make sure you choose your location using the drop-down list at the top of the page. The In-depth Guides provide country-specific information as some laws are different in England, Scotland and Wales, and some are enforced differently

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