businesscompanion
trading standards law explained

Fair trading

In the guide

Before you start
Make sure you choose your location using the drop-down list at the top of the page.

For more detailed information, please see the In-depth Guides below. Some laws are different in England, Scotland and Wales, and some are enforced differently, so the In-depth Guides provide country-specific information.

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.

The law states that businesses must should treat consumers fairly.

There is legislation that covers commercial practices between traders and consumers connected with the promotion, sale or supply of products 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 (in other words, illegal) if they cause a customer to make a different decision from the one they would normally have made (this is known as taking a 'transactional decision' they would not have taken otherwise). You must not:

- mislead customers (this includes both acting and failing to act)
- act aggressively (this includes coercion or undue influence)

One example of a general unfair practice is that you should 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 products, 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 must not give false information, nor should they be likely to deceive a consumer, which then makes them take a transactional decision they would not have taken otherwise. 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 that they know was an insurance write-off. This information may cause a consumer to make a different transactional 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 is
> **likely to significantly impair** the
> **average consumer's** freedom of choice or conduct in relation to
> **products** through the use of
> **harassment, coercion or undue influence**.

What must I never do?

The law specifies 32 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 products, 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.

Source URL: *https://www.businesscompanion.info/en/quick-guides/fair-trading*