# businesscompanion

# trading standards law explained

# **Accurate descriptions**

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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.

#### This guidance is for England, Scotland and Wales

Traders are responsible for making sure that the products they offer and sell to consumers are accurately described. It is important to ensure that consumers have the right information about the products that they are being offered so they can decide whether or not they want to purchase them.

Part 4, Chapter 1 of the Digital Markets, Competition and Consumers Act 2024 (DMCCA) prohibits traders from misleading consumers by falsely describing products. 'Product' is defined very broadly and includes:

- goods
- services
- digital content
- Immovable property for example, sales or leases of houses and flats
- rights and obligations for example, being able to use a caravan for a period of time
- demands for payment, such as for parking on private land

The DMCCA also prohibits traders from hiding information, giving insufficient information or giving information in an unclear manner about products.

See 'Protection from unfair trading (criminal law)' for more information on the Act.

#### The law

The DMCCA covers commercial practices, which include any act or omission by a trader relating to the promotion or supply of a product to consumers. The product in question can be the trader's own product or another trader's product - for example, a trader that sells another's products. The description can also relate to a product owned by the consumer, which is being supplied to the trader or another person; this covers situations like part-exchanges, where the trader is making an assessment of the quality, condition and value of the product (and therefore providing a 'description' to the consumer), and the consumer is making a decision based on this.

A trader must not mislead a consumer about a product in any way by giving false or deceptive information about a product, a trader (either themselves or another trader) or any other matter that is likely to affect the average consumer's transactional decisions. They must also not omit information about a product that a consumer would need in order to make an informed decision, or any other pre-contractual information that is legally required.

It should be noted that to breach the majority of Part 4, Chapter 1 of the Act, the misleading information given (or information that has not been given) to a consumer must be likely to cause the average consumer to take a transactional decision that they would not have taken otherwise. An example of this would be the consumer making a purchase that they would not otherwise have made. Transactional decisions also include decisions made after a consumer has bought a product - for example, the decision whether to return a faulty product or to accept an offer of redress.

The DMCCA is not intended to cover insignificant inaccuracies, but ultimately only a court can decide whether the actions of a trader would affect the average consumer in an adverse way.

Some practices are prohibited in all circumstances, and these are covered in 'Protection from unfair trading (criminal law)', which also includes an explanation of what 'transactional decision' means.

If a trader makes a false representation that was dishonest, and by making the false representation intended to gain for themselves or another (or cause loss to another), then they may commit an offence under the Fraud Act 2006 (the Fraud Act does not apply in Scotland; instead, it is the common law offence of fraud).

## Specific breaches of the DMCCA relating to products

It is a breach of the DMCCA (and potentially a criminal offence) to engage in an 'unfair commercial practice'. In relation to the description of a product, a practice is unfair if it is either of the following:

- a 'misleading action' (it contains false or misleading information, and is therefore untruthful, or its overall presentation in any way deceives or is likely to deceive the average consumer; this includes information that is true but is presented in a misleading way)
- a 'misleading omission' (it omits or hides material information or provides material information in a manner that is not clear)

In addition, for a practice to be unfair, the trader's misleading action or omission must be likely to cause the average consumer to take a transactional decision that they would not have taken otherwise (as above, this could be, for example, to buy as opposed to not buy, having work done or not, or paying a different amount for goods). The law also includes a general duty not to trade unfairly.

### Misleading actions and omissions

Misleading actions and omissions can be given in any of the following ways:

- verbally
- in writing (for example, in an advert or brochure, or on an invoice or order form)
- by illustration (for example, in advertisements or on packaging)
- by implication

In addition, if goods are supplied in response to a request that includes a specific description (for example, a customer specifies that they want a granite worktop), it is possible that a court would decide that the supplier of the goods has applied the description themselves.

#### **Offences**

Offences can be committed by a 'trader' (which means any person who, in relation to a commercial practice, is acting for purposes relating to their business) and anyone acting in the name of or on behalf of a trader. This would include directors, managers and all levels of employees.

#### Avoiding committing an offence

In the first instance, the trader should ensure that descriptions are not misleading. This means that not only should they be accurate, but they should be presented in a way that would not mislead - for example, by being understood in the wrong context. To avoid committing misleading omissions, traders should ensure that they are open and honest with customers, including anything that might make the product or the offer less attractive.

The Regulations therefore provide a trader with the defence that they took all reasonable precautions and exercised all due diligence to avoid the commission of an offence by themselves or any person under their control, and that the commission of such an offence was due to any of the following:

- a mistake
- reliance on information supplied to them
- the act or default of another person
- an accident or some other cause beyond the trader's control

In simple terms, this means that a process should exist to avoid unfair commercial practices and that the process should be followed by all employees.

#### **Redress**

Purchasers of misdescribed products are likely to seek redress through the civil courts. In particular, consumers have specific rights of redress. Where there has been a misleading action or an aggressive practice, the consumer may be entitled to claim compensation and/or a reduction in price, or to cancel the contract completely.

For the time being, consumers' rights of redress are still covered by the Consumer Protection from Unfair Trading Regulations 2008 (CPRs); they will later be covered by the DMCCA. Information on these rights can be found in 'Protection from unfair trading (consumers' rights of redress)'.

## **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

Changes made to reflect the coming into force of the Digital Markets, Competition and Consumers Act 2024 (Part 4, Chapter 1: 'Protection from unfair trading').

Last reviewed / updated: April 2025

## Key legislation

- Fraud Act 2006
- Consumer Protection from Unfair Trading Regulations 2008
- <u>Digital Markets, Competition and Consumers Act 2024</u>

#### 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 go to the legislation.gov.uk website. The site usually updates the legislation to include any amendments made to it. However, this is not always the case. Information on all changes made to legislation can be found by following the above links and clicking on the 'More Resources' tab.

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