# businesscompanion

# trading standards law explained

# Membership logos and claims of approval

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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

Logos denoting membership of, or approval by, an organisation may be legitimately used by businesses. However, their misuse, deliberate or otherwise, can result in a commercial advantage, enabling work to be acquired unfairly, and may constitute a breach of the law.

Part 4, Chapter 1 of the Digital Markets, Competition and Consumers Act 2024 (DMCCA) specifically bans businesses from displaying any form of trust mark, quality mark or equivalent if they are not authorised to do so. It is also a breach of the Act to provide false or deceptive information. This includes a business making verbal or written statements claiming to be a signatory to a code of conduct that they are not a signatory to.

# Which businesses use logos?

Many sectors of commerce and trade promote their activities by using logos. Examples exist of logos used by the building industry, motoring organisations, professions, retail trade federations, finance and insurance services, tourism, catering industries, plumbers, and electricians.

### What do logos convey to customers?

Any business using a logo representing membership or approval encourages a potential customer to assume a benefit arising from one or more of the following:

- approval of a standard of service
- training or qualification of company personnel
- compliance with rules or codes of conduct
- existence of complaints / arbitration procedures
- commitments to be 'fair traders' or approved by well-known organisations such as councils, governments, etc

### How are logos used?

Logos are used in a variety of different ways, including being displayed on or in:

- business / company premises, hoardings, banners, vehicles and clothing
- business / company letterheads and other stationery
- trade and consumer brochures and leaflets
- advertisements published in newspapers or telephone and trade directories
- advertisements / promotional videos that appear on television or online
- business / company websites

#### The law

If invalid at the time, the use of a logo in any of the above circumstances would breach the DMCCA. See 'Protection from unfair trading (criminal law)' for more information on the Act. For the time being, consumers' rights of redress are still covered by the Consumer Protection from Unfair Trading Regulations 2008 (CPRs); information on these rights can be found in 'Protection from unfair trading (consumers' rights of redress)'.

The DMCCA specifically bans businesses from displaying any form of trust mark, quality mark or equivalent if they are not authorised to do so. It bans any form of claim that a business, or a product, has been approved, authorised or endorsed by a public or private body when it hasn't. This applies even if a business has an approval, endorsement or authorisation, but is not complying, or has not complied, with the terms of the approval. It bans claiming to be a signatory to a code of conduct that the business is not a signatory to.

It is a breach of the Act generally to provide false or deceptive information that leads consumers to enter into contracts they would not otherwise have entered into - for example, a consumer contracting with a business only because they saw the logo of a trade association and therefore thought they would have additional protection if something went wrong. Claiming to be a member of an association that provides no benefit to consumers could be a misleading action when the overall presentation of information is likely to deceive an average consumer, even if the business is a member.

Particular care should be taken in the use of the Gas Safe logo. The Gas Safe Register is the only gas engineer registration scheme approved by the Health and Safety Executive (HSE) under the Gas Safety (Installation and Use) Regulations 1998. Under these Regulations, all gas engineers wanting to lawfully undertake domestic and certain other gas work in Great Britain must be registered with this scheme.

You should also be aware that if you advertise to other businesses, the Business Protection from Misleading Marketing Regulations 2008 make it an offence to deliberately mislead a business. There are

also rules in these Regulations regarding comparative advertising. See 'Business-to-business marketing' for more information.

If you are not sure whether any of your advertising or marketing material breaches the above legislation, you should seek advice from your local Trading Standards service. Ideally, this should be done before publication.

### **Specific precautions for businesses**

When applying for membership or approval of an organisation, businesses are advised that they should not start to use any logo until authorised to do so by the organisation. Care should be taken when membership or approval of a business ceases, arising in particular from:

- any lapse of membership
- notification or cancellation by an organisation for any reason, such as a failure to meet standards or other requirements

Businesses should be particularly careful when:

- using stationery, websites, publications, premises, etc
- providing advertising agencies with copy, or authorising them to use it

It is the responsibility of businesses to ensure that no invalid claims of membership or approval are made (whether made themselves or on their behalf, including by advertising agencies).

#### **Verbal statements**

Statements do not have to be in writing in order to breach the law. Any false or deceptive statements concerning the membership or approval of a business made by businesses or their staff would breach the DMCCA.

# **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

- Gas Safety (Installation and Use) Regulations 1998
- Business Protection from Misleading Marketing Regulations 2008
- Consumer Protection from Unfair Trading Regulations 2008

• <u>Digital Markets, Competition and Consumers Act 2024</u> (Part 4, Chapter 1)

#### 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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