
STATUTORY INSTRUMENTS

2005 No. 871

REGULATORY REFORM

The Regulatory Reform (Trading Stamps) Order 2005

Made - - - - *17th March 2005*

Coming into force - - *6th April 2005*

Whereas

- (a) the Secretary of State for Trade and Industry (“the Secretary of State”) consulted—
 - (i) such organisations as appeared to her to be representative of interests substantially affected by her proposals for this Order,
 - (ii) such organisations as appeared to her to be representative of the statutory bodies to whose functions her proposals relate,
 - (iii) the Law Commission,
 - (iv) the National Assembly for Wales, and
 - (v) such other persons as she considered appropriate;
- (b) following the consultation mentioned in recital (a) the Secretary of State considered it appropriate to proceed with the making of this Order;
- (c) a document containing the Secretary of State’s proposals was laid before Parliament as required by section 6 of the Regulatory Reform Act 2001⁽¹⁾ and the period for Parliamentary consideration under section 8 of that Act expired;
- (d) the Secretary of State had regard to the representations made during the period and in particular to the Twenty-Fourth Report of Session 2003-2004, of the Delegated Powers and Regulatory Reform Committee of the House of Lords and the Ninth Report, Session 2003-2004, of the Regulatory Reform Committee of the House of Commons;
- (e) a draft of this Order was laid before Parliament with a statement giving details of those representations;
- (f) the draft was approved by resolution of each House of Parliament;
- (g) the Secretary of State is of the opinion that this Order does not remove any necessary protection or prevent any person from continuing to exercise any right or freedom which he might reasonably expect to continue to exercise; and
- (h) this Order creates burdens affecting persons in the carrying on of certain activities, and the Secretary of State is of the opinion that—
 - (i) the provisions of this Order, taken as a whole, strike a fair balance between the public interest and the interests of the persons affected by the burdens being created, and

⁽¹⁾ 2001 c. 6.

- (ii) the extent to which this Order removes or reduces one or more burdens, or has other beneficial effects for persons affected by the burdens imposed by the existing law, makes it desirable for this Order to be made;

Now therefore the Secretary of State, in exercise of the powers conferred by section 1 of the Regulatory Reform Act 2001, hereby makes the following Order:—

Citation, Commencement and extent

1. This Order may be cited as the Regulatory Reform (Trading Stamps) Order 2005 and shall come into force on 6th April 2005.
2. This Order does not extend to Northern Ireland.

Repeal of the Trading Stamps Act 1964 and Amendment of Legislation to Make Provision for Trading Stamps

- 3.—(1) The Trading Stamps Act 1964⁽²⁾ is repealed.
 - (2) But section 10(1) of that Act continues to have effect for the purposes of the Consumer Transactions (Restrictions on Statements) Order 1976⁽³⁾.
4. In the Consumer Transactions (Restrictions on Statements) Order 1976—
 - (a) in the definition of “statutory rights” in article 2(1), for the words from “section 4(1)(c) of the Trading Stamps Act 1964” to the end of the definition, substitute—

“sections 4, 9, 11D, or 11J of the Supply of Goods and Services Act 1982.”⁽⁴⁾;
 - (b) in article 3(a)(ii), for the words from “a warranty” to the end of the paragraph, substitute—

“a term implied by sections 4, 9, 11D, or 11J of the Supply of Goods and Services Act 1982.”
5. In the Supply of Goods and Services Act 1982—
 - (a) omit section 1(2)(c);
 - (b) in section 6—
 - (i) in subsection (1), for the words “an excepted contract” substitute—

“a hire-purchase agreement”;
 - (ii) omit subsection (2); and
 - (iii) in subsection (3), omit the words “(subject to subsection (2) above)”;
 - (c) omit section 11A(2)(c);
 - (d) in section 11G—
 - (i) in subsection (1), for the words “an excepted contract” substitute—

“a hire-purchase agreement”;
 - (ii) omit subsection (2); and
 - (iii) in subsection (3), omit the words “(subject to subsection (2) above)”;
 - (e) in section 18, repeal the definitions of “redemption” and “trading stamps”.

(2) 1964 c. 71.

(3) S.I.1976/1813.

(4) 1982 c. 29.

Consequential Provisions

6. The Schedule (which contains repeals and revocations) shall have effect.

Gerry Sutcliffe
Parliamentary Under-Secretary of State for
Employment Relations, Consumers and Postal
Services,
Department of Trade and Industry

17th March 2005

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SCHEDULE

Article 6

Repeals and revocations

Decimal Currency Act 1969 (5) .	Paragraph 22 of Schedule 2.
Supply of Goods (Implied Terms) Act 1973 (6) .	Section 16.
Consumer Credit Act 1974 (7) .	Paragraphs 24-26 of Part I of Schedule 4.
Unfair Contract Terms Act 1977 (8) .	Section 7(5).
	Section 21(4).
Companies Act 1985 (9) .	Section 254(3)(c) and the preceding “or”.
Consumer Protection Act 1987 (10) .	The words “(including trading stamps)” in section 46(1)(d).
Companies Act 1989 (11) .	Section 34(3).
Sale and Supply of Goods Act 1994 (12) .	Paragraph 1 of Schedule 2.
Producer Responsibility Obligations (Packaging Waste) Regulations 1997 (13) .	The words “(including trading stamps within the meaning of section 10 of the Trading Stamps Act 1964)” in paragraph 2(g)(ii) of Schedule 1.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order is made under section 1 of the Regulatory Reform Act 2001. Article 3(1) repeals the Trading Stamps Act 1964, which regulates the issue, use and redemption of trading stamps. The effect of the repeal is that companies issuing trading stamps will no longer have to comply with certain requirements, such as the requirement for the cash value of the trading stamp to appear on the face of the trading stamp, thereby removing a burden on those companies. Article 3(2) preserves section 10(1) of the Trading Stamps Act, which sets out various definitions, for the purposes of the Consumer Transactions (Restrictions on Statements) Order 1976. Article 4 amends that Order to substitute references to section 4(1)(c) of the Trading Stamps Act 1964 (warranty as to satisfactory quality to be implied on redemption of trading stamps) with references to sections 4, 9, 11D and 11J of the Supply of Goods and Services Act 1982. Article 5 imposes burdens on companies supplying

(5) 1969 c. 19.
(6) 1973 c. 13.
(7) 1974 c. 39.
(8) 1977 c. 50.
(9) 1985 c. 6.
(10) 1987 c. 43.
(11) 1989 c. 40.
(12) 1994 c. 35.
(13) S.I. 1997/648.

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goods in exchange for trading stamps by amending the Supply of Goods and Services Act 1982, so that the 1982 Act applies to a contract under which the property in goods is (or is to be) transferred or hired in exchange for trading stamps. Contracts for the exchange of goods for trading stamps will fall within the remit of the 1982 Act and will be treated as contracts for the transfer of goods. After the repeal of the Trading Stamps Act 1964, contracts for the exchange of goods for a combination of cash and trading stamps will fall under the Sale of Goods Act 1979 (1979 c. 54), and will be treated as contracts for the sale of goods.

The Schedule contains repeals or revocations consequent upon the repeal of the Trading Stamps Act 1964.

This Order does not extend to Northern Ireland.

A full regulatory impact assessment of the effect that this instrument will have on the costs of business is available from the DTI Publications Orderline, Admail 528, London SW1W 8YT, telephone 0870 1502 500, fax 0870 1502 333, minicom 0870 1502 100.