



# Misrepresentation Act 1967

## 1967 CHAPTER 7

An Act to amend the law relating to innocent misrepresentations and to amend sections 11 and 35 of the Sale of Goods Act 1893. [22nd March 1967]

### **1 Removal of certain bars to rescission for innocent misrepresentation.**

Where a person has entered into a contract after a misrepresentation has been made to him, and—

- (a) the misrepresentation has become a term of the contract; or
- (b) the contract has been performed;

or both, then, if otherwise he would be entitled to rescind the contract without alleging fraud, he shall be so entitled, subject to the provisions of this Act, notwithstanding the matters mentioned in paragraphs (a) and (b) of this section.

### **2 Damages for misrepresentation.**

- (1) Where a person has entered into a contract after a misrepresentation has been made to him by another party thereto and as a result thereof he has suffered loss, then, if the person making the misrepresentation would be liable to damages in respect thereof had the misrepresentation been made fraudulently, that person shall be so liable notwithstanding that the misrepresentation was not made fraudulently, unless he proves that he had reasonable ground to believe and did believe up to the time the contract was made the facts represented were true.
- (2) Where a person has entered into a contract after a misrepresentation has been made to him otherwise than fraudulently, and he would be entitled, by reason of the misrepresentation, to rescind the contract, then, if it is claimed, in any proceedings arising out of the contract, that the contract ought to be or has been rescinded, the court or arbitrator may declare the contract subsisting and award damages in lieu of rescission, if of opinion that it would be equitable to do so, having regard to the nature of the misrepresentation and the loss that would be caused by it if the contract were upheld, as well as to the loss that rescission would cause to the other party.
- (3) Damages may be awarded against a person under subsection (2) of this section whether or not he is liable to damages under subsection (1) thereof, but where he is so liable

*Changes to legislation: There are currently no known outstanding effects for the Misrepresentation Act 1967. (See end of Document for details)*

any award under the said subsection (2) shall be taken into account in assessing his liability under the said subsection (1).

**[<sup>F1</sup>3 Avoidance of provision excluding liability for misrepresentation.**

If a contract contains a term which would exclude or restrict—

- (a) any liability to which a party to a contract may be subject by reason of any misrepresentation made by him before the contract was made; or
- (b) any remedy available to another party to the contract by reason of such a misrepresentation,

that term shall be of no effect except in so far as it satisfies the requirement of reasonableness as stated in section 11(1) of the <sup>M1</sup>Unfair Contract Terms Act 1977; and it is for those claiming that the term satisfies that requirement to show that it does.]

**Annotations:**

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**Amendments (Textual)**

**F1** S. 3 substituted by [Unfair Contract Terms Act 1977 \(c. 50\), s. 8\(1\)](#)

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**Marginal Citations**

**M1** [1977 c. 50.](#)

**4** ..... <sup>F2</sup>

**Annotations:**

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**Amendments (Textual)**

**F2** s. 4 repealed by [Sale of Goods Act 1979 \(c. 54, SIF 109:1\), ss. 62, 63, Sch. 3](#)

**5 Saving for past transactions.**

Nothing in this Act shall apply in relation to any misrepresentation or contract of sale which is made before the commencement of this Act.

**6 Short title, commencement and extent.**

- (1) This Act may be cited as the Misrepresentation Act 1967.
- (2) This Act shall come into operation at the expiration of the period of one month beginning with the date on which it is passed.
- (3) This Act . . . <sup>F3</sup>does not extend to Scotland.
- (4) This Act does not extend to Northern Ireland.

**Annotations:**

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**Amendments (Textual)**

**F3** Words repealed by [Sale of Goods Act 1979 \(c. 54, SIF 109:1\), ss. 62, 63, Sch. 3](#)

**Changes to legislation:**

There are currently no known outstanding effects for the Misrepresentation Act 1967.