



Unfair Contract Terms Act 1977

1977 CHAPTER 50

PART I

AMENDMENT OF LAW FOR ENGLAND AND WALES AND NORTHERN IRELAND

Avoidance of liability for negligence, breach of contract, etc.

3 Liability arising in contract.

^{F1}(1) This section applies as between contracting parties where one of them deals ^{F1}... on the other's written standard terms of business.

(2) As against that party, the other cannot by reference to any contract term—

- (a) when himself in breach of contract, exclude or restrict any liability of his in respect of the breach; or
- (b) claim to be entitled—

- (i) to render a contractual performance substantially different from that which was reasonably expected of him, or

- (ii) in respect of the whole or any part of his contractual obligation, to render no performance at all,

except in so far as (in any of the cases mentioned above in this subsection) the contract term satisfies the requirement of reasonableness.

[^{F2}(3) This section does not apply to a term in a consumer contract (but see the provision made about such contracts in section 62 of the Consumer Rights Act 2015).]

Textual Amendments

F1 Words in [s. 3\(1\)](#) omitted (1.10.2015 for specified purposes, 1.10.2016 in so far as not already in force) by virtue of [Consumer Rights Act 2015 \(c. 15\)](#), [s. 100\(5\)](#), [Sch. 4 para. 5\(2\)](#); [S.I. 2015/1630](#), [arts. 3\(g\)](#), [4\(c\)](#) (with [art. 6\(1\)\(2\)](#))

Changes to legislation: There are currently no known outstanding effects for the
Unfair Contract Terms Act 1977, Section 3. (See end of Document for details)

- F2** S. 3(3) inserted (1.10.2015 for specified purposes, 1.10.2016 in so far as not already in force) by Consumer Rights Act 2015 (c. 15), s. 100(5), **Sch. 4 para. 5(3)**; S.I. 2015/1630, arts. 3(g), 4(c) (with art. 6(1)(2))

Modifications etc. (not altering text)

- C1** S. 3(2)(b) extended (1.11.1998 and 1.7.1999 in relation to certain contracts and 7.8.2002 insofar as not then in force) by 1998 c. 20, s. 14(2) (with s. 12); S.I. 1998/2479, arts. 2,3; S.I. 1999/1816, art. 3(1); S.I. 2002/1673, **art. 2**
- C2** S. 3(2)(b) applied by 1998 c. 20, s. 58(4) (as inserted (16.3.2013) by The Late Payment of Commercial Debts Regulations 2013 (S.I. 2013/395), regs. 1(1), **3(4)** (with reg. 1(3)))

Changes to legislation:

There are currently no known outstanding effects for the Unfair Contract Terms Act 1977, Section 3.