

## 1976 No. 1813

## CONSUMER PROTECTION

**The Consumer Transactions (Restrictions on Statements)  
Order 1976**

*Laid before Parliament in draft*

*Made - - - - 1st November 1976*

*Coming into Operation in accordance with the  
provisions of Article 1*

Whereas the Director General of Fair Trading made a reference, to which section 17 of the Fair Trading Act 1973(a) applies, to the Consumer Protection Advisory Committee:

And whereas a report (b) on that reference has been made by that Committee to the Secretary of State, and pursuant to section 83 of that Act the report has been laid before Parliament:

And whereas the report states that the Committee would agree with the proposals set out in the reference if the proposals were modified in the manner specified in the report:

And whereas a draft of this Order has been approved by a resolution of each House of Parliament:

Now, therefore, the Secretary of State, in exercise of her powers under section 22 of the Fair Trading Act 1973, hereby makes the following Order:—

1. This Order may be cited as the Consumer Transactions (Restrictions on Statements) Order 1976, and shall come into operation as respects—

- (a) this Article, Article 2 and Article 3(a), at the expiry of the period of 1 month beginning with the date on which this Order is made;
- (b) the remainder of Article 3, at the expiry of the period of 12 months beginning with that date; and
- (c) the remainder of this Order, at the expiry of the period of 2 years beginning with that date.

---

(a) 1973 c. 41.

(b) H.C. 6 Session 1974/75.

2.—(1) In this Order—

“advertisement” includes a catalogue and a circular;

“consumer” means a person acquiring goods otherwise than in the course of a business but does not include a person who holds himself out as acquiring them in the course of a business;

“consumer transaction” means—

- (a) a consumer sale within section 55(7) of the Sale of Goods Act 1893(a), as amended by the Supply of Goods (Implied Terms) Act 1973(b) (hereinafter called “the Act of 1973”), other than a sale arising by virtue of a contract for the international sale of goods as defined in section 62(1) of the said Act of 1893, as so amended;
- (b) a hire-purchase agreement which is a consumer agreement within section 12(6) of the Act of 1973;
- (c) an agreement for the redemption of trading stamps under a trading stamp scheme within section 10(1) of the Trading Stamps Act 1964(c) or, as the case may be, within section 9 of the Trading Stamps Act (Northern Ireland) 1965(d);

“container” includes any form of packaging of goods whether by way of wholly or partly enclosing the goods or by way of attaching the goods to, or winding the goods round, some other article, and in particular includes a wrapper or confining band;

“statutory rights” means the rights arising by virtue of sections 13 to 15 of the Sale of Goods Act 1893 as amended by the Act of 1973, sections 9 to 11 of the Act of 1973, or section 4(1)(c) of the Trading Stamps Act 1964 or section 4(1)(c) of the Trading Stamps Act (Northern Ireland) 1965 both as amended by the Act of 1973.

(2) The Interpretation Act 1889(e) shall apply for the interpretation of this Order as it applies for the interpretation of an Act of Parliament.

3. A person shall not, in the course of a business—

- (a) display, at any place where consumer transactions are effected (whether wholly or partly), a notice containing a statement which purports to apply, in relation to consumer transactions effected there, a term which would—
  - (i) be void by virtue of section 55(4) of the Sale of Goods Act 1893 as amended by the Act of 1973, or by virtue of section 12(3) of the Act of 1973, or
  - (ii) be inconsistent with a warranty (in Scotland a stipulation) implied by section 4(1)(c) of the Trading Stamps Act 1964 or section 4(1)(c) of the Trading Stamps Act (Northern Ireland) 1965 both as amended by the Act of 1973,
 if applied to some or all such consumer transactions;
- (b) publish or cause to be published any advertisement which is intended to induce persons to enter into consumer transactions and which contains a statement purporting to apply in relation to such consumer transactions

(a) 1893 c. 71 (56 and 75 Vic.).  
 (c) 1964 c. 71.  
 (e) 1889 c. 63.

(b) 1973 c. 13.  
 (d) 1965 c. 6. (N.I.).

such a term as is mentioned in paragraph (a)(i) or (ii), being a term which would be void by virtue of, or as the case may be, inconsistent with, the provisions so mentioned if applied to some or all of those transactions;

- (c) supply to a consumer pursuant to a consumer transaction goods bearing, or goods in a container bearing, a statement which is a term of that consumer transaction and which is void by virtue of, or inconsistent with, the said provisions, or if it were a term of that transaction, would be so void or inconsistent;
- (d) furnish to a consumer in connection with the carrying out of a consumer transaction or to a person likely, as a consumer, to enter into such a transaction, a document which includes a statement which is a term of that transaction and is void or inconsistent as aforesaid, or, if it were a term of that transaction or were to become a term of a prospective transaction, would be so void or inconsistent.

4. A person shall not in the course of a business—

- (i) supply to a consumer pursuant to a consumer transaction goods bearing, or goods in a container bearing, a statement about the rights that the consumer has against that person or about the obligations to the consumer accepted by that person in relation to the goods (whether legally enforceable or not), being rights or obligations that arise if the goods are defective or are not fit for a purpose or do not correspond with a description;
- (ii) furnish to a consumer in connection with the carrying out of a consumer transaction or to a person likely, as a consumer, to enter into such a transaction with him or through his agency a document containing a statement about such rights and obligations,

unless there is in close proximity to any such statement another statement which is clear and conspicuous and to the effect that the first mentioned statement does not or will not affect the statutory rights of a consumer.

5.—(1) This Article applies to goods which are supplied in the course of a business by one person (“the supplier”) to another where, at the time of the supply, the goods were intended by the supplier to be, or might reasonably be expected by him to be, the subject of a subsequent consumer transaction.

(2) A supplier shall not—

- (a) supply goods to which this Article applies if the goods bear, or are in a container bearing, a statement which sets out or describes or limits obligations (whether legally enforceable or not) accepted or to be accepted by him in relation to the goods; or
- (b) furnish a document in relation to the goods which contains such a statement,

unless there is in close proximity to any such statement another statement which is clear and conspicuous and to the effect that the first mentioned statement does not or will not affect the statutory rights of a consumer.

(3) A person does not contravene paragraph (2) above—

- (i) in a case to which sub-paragraph (a) of that paragraph applies, unless the goods have become the subject of a consumer transaction;

- (ii) in a case to which sub-paragraph (b) applies, unless the document has been furnished to a consumer in relation to goods which were the subject of a consumer transaction, or to a person likely to become a consumer pursuant to such a transaction; or
- (iii) by virtue of any statement if before the date on which this Article comes into operation the document containing, or the goods or container bearing, the statement has ceased to be in his possession.

1st November 1976.

*John Fraser,*  
Minister of State,  
Department of Prices and  
Consumer Protection.

---

#### EXPLANATORY NOTE

*(This Note is not part of the Order.)*

This Order is made in pursuance of a \*Report of the Consumer Protection Advisory Committee on a reference made to that Committee by the Director General of Fair Trading.

The Order prohibits persons who, in the course of a business, sell goods to consumers or supply them under hire purchase or trading stamp agreements—

- (1) from purporting by means of notices in shops, advertisements or statements on or with the goods, to apply terms which are void by virtue of the Sale of Goods Act 1893 or the Supply of Goods (Implied Terms) Act 1973 or are inconsistent with a warranty implied by the Trading Stamps Act 1964 and the Trading Stamps Act (Northern Ireland) 1965 (Article 3); and
- (2) from supplying statements about the consumer's rights against the supplier relating to the quality, fitness or description of the goods in question, or the supplier's obligations to the consumer in respect of those matters without at the same time notifying the consumer that his statutory rights (ie those that arise by virtue of the provisions mentioned above) are not affected (Article 4).

---

\* H.C. 6 Session 1974/1975: Rights of Consumers—A Report on Practices Relating to the Purported Exclusion of Inalienable Rights of Consumers and Failure to Explain their Existence. Copies of the Report may be obtained from Her Majesty's Stationery Office.

The Order also provides that if a third party, eg a manufacturer or wholesaler, supplies goods in circumstances where he intends, or may reasonably expect, the goods to become subject to a consumer transaction the goods are not to bear, nor be in a container bearing, a statement about the obligations accepted by the third party unless that statement is accompanied by a further statement that the statutory rights of the consumer are not affected. Similar provision is made in relation to documents supplied to consumers by the third party (Article 5).

The provisions of the Order come into operation at the different times specified in Article 1.

SI 1976/1813  
ISBN 0-11-061813-0



780110 618135