



Consumer Rights Act 2015

2015 CHAPTER 15

PART 1

CONSUMER CONTRACTS FOR GOODS, DIGITAL CONTENT AND SERVICES

CHAPTER 2

GOODS

What goods contracts are covered?

3 Contracts covered by this Chapter

- (1) This Chapter applies to a contract for a trader to supply goods to a consumer.
- (2) It applies only if the contract is one of these (defined for the purposes of this Part in sections 5 to 8)—
 - (a) a sales contract;
 - (b) a contract for the hire of goods;
 - (c) a hire-purchase agreement;
 - (d) a contract for transfer of goods.
- (3) It does not apply—
 - (a) to a contract for a trader to supply coins or notes to a consumer for use as currency;
 - (b) to a contract for goods to be sold by way of execution or otherwise by authority of law;
 - (c) to a contract intended to operate as a mortgage, pledge, charge or other security;
 - (d) in relation to England and Wales or Northern Ireland, to a contract made by deed and for which the only consideration is the presumed consideration imported by the deed;

Status: This is the original version (as it was originally enacted).

- (e) in relation to Scotland, to a gratuitous contract.
- (4) A contract to which this Chapter applies is referred to in this Part as a “contract to supply goods”.
- (5) Contracts to supply goods include—
 - (a) contracts entered into between one part owner and another;
 - (b) contracts for the transfer of an undivided share in goods;
 - (c) contracts that are absolute and contracts that are conditional.
- (6) Subsection (1) is subject to any provision of this Chapter that applies a section or part of a section to only some of the kinds of contracts listed in subsection (2).
- (7) A mixed contract (see section 1(4)) may be a contract of any of those kinds.

4 Ownership of goods

- (1) In this Chapter ownership of goods means the general property in goods, not merely a special property.
- (2) For the time when ownership of goods is transferred, see in particular the following provisions of the Sale of Goods Act 1979 (which relate to contracts of sale)—

section 16:	goods must be ascertained
section 17:	property passes when intended to pass
section 18:	rules for ascertaining intention
section 19:	reservation of right of disposal
section 20A:	undivided shares in goods forming part of a bulk
section 20B:	deemed consent by co-owner to dealings in bulk goods

5 Sales contracts

- (1) A contract is a sales contract if under it—
 - (a) the trader transfers or agrees to transfer ownership of goods to the consumer, and
 - (b) the consumer pays or agrees to pay the price.
- (2) A contract is a sales contract (whether or not it would be one under subsection (1)) if under the contract—
 - (a) goods are to be manufactured or produced and the trader agrees to supply them to the consumer,
 - (b) on being supplied, the goods will be owned by the consumer, and
 - (c) the consumer pays or agrees to pay the price.
- (3) A sales contract may be conditional (see section 3(5)), but in this Part “conditional sales contract” means a sales contract under which—
 - (a) the price for the goods or part of it is payable by instalments, and
 - (b) the trader retains ownership of the goods until the conditions specified in the contract (for the payment of instalments or otherwise) are met;
 and it makes no difference whether or not the consumer possesses the goods.

6 Contracts for the hire of goods

- (1) A contract is for the hire of goods if under it the trader gives or agrees to give the consumer possession of the goods with the right to use them, subject to the terms of the contract, for a period determined in accordance with the contract.
- (2) But a contract is not for the hire of goods if it is a hire-purchase agreement.

7 Hire-purchase agreements

- (1) A contract is a hire-purchase agreement if it meets the two conditions set out below.
- (2) The first condition is that under the contract goods are hired by the trader in return for periodical payments by the consumer (and “hired” is to be read in accordance with section 6(1)).
- (3) The second condition is that under the contract ownership of the goods will transfer to the consumer if the terms of the contract are complied with and—
 - (a) the consumer exercises an option to buy the goods,
 - (b) any party to the contract does an act specified in it, or
 - (c) an event specified in the contract occurs.
- (4) But a contract is not a hire-purchase agreement if it is a conditional sales contract.

8 Contracts for transfer of goods

- A contract to supply goods is a contract for transfer of goods if under it the trader transfers or agrees to transfer ownership of the goods to the consumer and—
- (a) the consumer provides or agrees to provide consideration otherwise than by paying a price, or
 - (b) the contract is, for any other reason, not a sales contract or a hire-purchase agreement.