



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.

2 Negligence liability

- (1) A person cannot by reference to any contract term or to a notice given to persons generally or to particular persons exclude or restrict his liability for death or personal injury resulting from negligence.
- (2) In the case of other loss or damage, a person cannot so exclude or restrict his liability for negligence except in so far as the term or notice satisfies the requirement of reasonableness.
- (3) Where a contract term or notice purports to exclude or restrict liability for negligence a person's agreement to or awareness of it is not of itself to be taken as indicating his voluntary acceptance of any risk.

3 Liability arising in contract

- (1) This section applies as between contracting parties where one of them deals as consumer or 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,

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

4 Unreasonable indemnity clauses

- (1) A person dealing as consumer cannot by reference to any contract term be made to indemnify another person (whether a party to the contract or not) in respect of liability that may be incurred by the other for negligence or breach of contract, except in so far as the contract term satisfies the requirement of reasonableness.
- (2) This section applies whether the liability in question—
 - (a) is directly that of the person to be indemnified or is incurred by him vicariously ;
 - (b) is to the person dealing as consumer or to someone else.