



# 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.

[<sup>F1</sup>(4) This section does not apply to—

- (a) a term in a consumer contract, or
- (b) a notice to the extent that it is a consumer notice,

(but see the provision made about such contracts and notices in sections 62 and 65 of the Consumer Rights Act 2015).]

#### **Textual Amendments**

- F1** S. 2(4) 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. 4**; S.I. 2015/1630, arts. 3(g), 4(c) (with art. 6(1)(2))

*Status: Point in time view as at 01/10/2015.*

*Changes to legislation: There are currently no known outstanding effects for the Unfair Contract Terms Act 1977,  
 Cross Heading: Avoidance of liability for negligence, breach of contract, etc.. (See end of Document for details)*

**Modifications etc. (not altering text)**

- C1** S. 2(2) excluded (11.11.1999, but subject to s. 10(3) of the amending Act, does not apply in relation to a contract referred to in s. 10(2)) by 1999 c. 31, **ss. 7(2), 10(2)(3)**

**3 Liability arising in contract.**

(1) This section applies as between contracting parties where one of them deals <sup>F2</sup>... 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.

[<sup>F3</sup>(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**

- F2** 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))
- F3** 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)**

- C2** 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**
- C3** 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)))

**<sup>F4</sup> 4 Unreasonable indemnity clauses.**

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**Textual Amendments**

- F4** S. 4 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. 6**; S.I. 2015/1630, arts. 3(g), 4(c) (with art. 6(1)(2))

**Status:**

Point in time view as at 01/10/2015.

**Changes to legislation:**

There are currently no known outstanding effects for the Unfair Contract Terms Act 1977, Cross Heading: Avoidance of liability for negligence, breach of contract, etc..