

SCHEDULES

SCHEDULE 2

MINOR AND CONSEQUENTIAL AMENDMENTS

The Supply of Goods and Services Act 1982 (c. 29)

- 6 (1) The Supply of Goods and Services Act 1982 is amended as follows.
- (2) In section 1 (the contracts concerned), in subsections (1) and (3) after “Act” there is inserted “in its application to England and Wales and Northern Ireland”.
- (3) In section 4 (contracts for transfer: quality or fitness) for subsections (2) and (3) there is substituted—
- “(2) Where, under such a contract, the transferor transfers the property in goods in the course of a business, there is an implied condition that the goods supplied under the contract are of satisfactory quality.
- (2A) For the purposes of this section and section 5 below, goods are of satisfactory quality if they meet the standard that a reasonable person would regard as satisfactory, taking account of any description of the goods, the price (if relevant) and all the other relevant circumstances.
- (3) The condition implied by subsection (2) above does not extend to any matter making the quality of goods unsatisfactory—
- (a) which is specifically drawn to the transferee’s attention before the contract is made,
- (b) where the transferee examines the goods before the contract is made, which that examination ought to reveal, or
- (c) where the property in the goods is transferred by reference to a sample, which would have been apparent on a reasonable examination of the sample.”; and subsection (9) is omitted.
- (4) In section 5 (transfer by sample)—
- (a) in subsection (2)(c), for “rendering them unmerchantable” there is substituted “making their quality unsatisfactory”; and
- (b) subsection (3) is omitted.
- (5) After section 5 there is inserted the following section—
- “5A Modification of remedies for breach of statutory condition in non-consumer cases.**
- (1) Where in the case of a contract for the transfer of goods—
- (a) the transferee would, apart from this subsection, have the right to treat the contract as repudiated by reason of a breach on the part

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- of the transferor of a term implied by section 3, 4 or 5(2)(a) or (c) above, but
- (b) the breach is so slight that it would be unreasonable for him to do so, then, if the transferee does not deal as consumer, the breach is not to be treated as a breach of condition but may be treated as a breach of warranty.
- (2) This section applies unless a contrary intention appears in, or is to be implied from, the contract.
- (3) It is for the transferor to show that a breach fell within subsection (1)(b) above.”
- (6) In section 6 (the contracts concerned) in subsections (1) and (3) after “Act” there is inserted “in its application to England and Wales and Northern Ireland”.
- (7) In section 9 (contracts for hire: quality or fitness) for subsections (2) and (3) there is substituted—
- “(2) Where, under such a contract, the bailor bails goods in the course of a business, there is an implied condition that the goods supplied under the contract are of satisfactory quality.
- (2A) For the purposes of this section and section 10 below, goods are of satisfactory quality if they meet the standard that a reasonable person would regard as satisfactory, taking account of any description of the goods, the consideration for the bailment (if relevant) and all the other relevant circumstances.
- (3) The condition implied by subsection (2) above does not extend to any matter making the quality of goods unsatisfactory—
- (a) which is specifically drawn to the bailee’s attention before the contract is made,
- (b) where the bailee examines the goods before the contract is made, which that examination ought to reveal, or
- (c) where the goods are bailed by reference to a sample, which would have been apparent on a reasonable examination of the sample.”; and subsection (9) is omitted.
- (8) In section 10 (hire by sample)—
- (a) in subsection (2)(c), for “rendering them unmerchantable” there is substituted “making their quality unsatisfactory”; and
- (b) subsection (3) is omitted.
- (9) After section 10 there is inserted the following section—
- “10A Modification of remedies for breach of statutory condition in non-consumer cases.**
- (1) Where in the case of a contract for the hire of goods—
- (a) the bailee would, apart from this subsection, have the right to treat the contract as repudiated by reason of a breach on the part of the bailor of a term implied by section 8, 9 or 10(2)(a) or (c) above, but
- (b) the breach is so slight that it would be unreasonable for him to do so,

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- then, if the bailee does not deal as consumer, the breach is not to be treated as a breach of condition but may be treated as a breach of warranty.
- (2) This section applies unless a contrary intention appears in, or is to be implied from, the contract.
- (3) It is for the bailor to show that a breach fell within subsection (1)(b) above.”
- (10) In section 18 (interpretation) in subsection (1) the definition of “quality” is omitted and at the end of that section there is inserted—
- “(3) For the purposes of this Act, the quality of goods includes their state and condition and the following (among others) are in appropriate cases aspects of the quality of goods—
- (a) fitness for all the purposes for which goods of the kind in question are commonly supplied,
 - (b) appearance and finish,
 - (c) freedom from minor defects,
 - (d) safety, and
 - (e) durability.
- (4) References in this Act to dealing as consumer are to be construed in accordance with Part I of the Unfair Contract Terms Act 1977; and, for the purposes of this Act, it is for the transferor or bailor claiming that the transferee or bailee does not deal as consumer to show that he does not.”