

EU Consumer Law Acquis Compendium

Legislation

United Kingdom (UK) Nr. 12

Full name and/or number of the statute (in original language):

Supply of Goods (Implied Terms) Act 1973

Translation of the name:

Supply of Goods (Implied Terms) Act 1973

Reference in Official Journal (if appropriate):

Date of coming into force:

Subsequent amendments:

Text:

Supply of Goods (Implied Terms) Act 1973 (Relevant Provisions)

Hire-purchase agreements

9 Bailing or hiring by description

(1) Where under a hire-purchase agreement goods are bailed or (in Scotland) hired by description, there is an implied term that the goods will correspond with the description, and if under the agreement the goods are bailed or hired by reference to a sample as well as a description, it is not sufficient that the bulk of the goods corresponds with the sample if the goods do not also correspond with the description.

(1A) As regards England and Wales and Northern Ireland, the term implied by subsection (1) above is a condition.

(2) Goods shall not be prevented from being bailed or hired by description by reason only that, being exposed for sale, bailment or hire, they are selected by the person to whom they are bailed or hired.

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10 Implied undertakings as to quality or fitness

(1) Except as provided by this section and section 11 below and subject to the provisions of any other enactment, including any enactment of the Parliament of Northern Ireland, or the Northern Ireland Assembly, there is no implied term as to the quality or fitness for any particular purpose of goods bailed or (in Scotland) hired under a hire-purchase agreement.

(2) Where the creditor bails or hires goods under a hire purchase agreement in the course of a business, there is an implied term that the goods supplied under the agreement are of satisfactory quality.

(2A) For the purposes of this Act, 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.

(2B) 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.

(2C) The term implied by subsection (2) above does not extend to any matter making the quality of goods unsatisfactory-

(a) which is specifically drawn to the attention of the person to whom the goods are bailed or hired before the agreement is made,

(b) where that person examines the goods before the agreement is made, which that examination ought to reveal, or

(c) where the goods are bailed or hired by reference to a sample, which would have been apparent on a reasonable examination of the sample.

(2D) If the person to whom the goods are bailed or hired deals as consumer or, in Scotland, if the goods are hired to a person under a consumer contract, the relevant circumstances mentioned in subsection (2A) above include any public statements on the specific characteristics of the goods made about them by the creditor, the producer or his representative, particularly in advertising or on labelling.

(2E) A public statement is not by virtue of subsection (2D) above a relevant circumstance for the purposes of subsection (2A) above in the case of a contract of hire-purchase, if the creditor shows that—

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(a) at the time the contract was made, he was not, and could not reasonably have been, aware of the statement,

(b) before the contract was made, the statement had been withdrawn in public or, to the extent that it contained anything which was incorrect or misleading, it had been corrected in public, or

(c) the decision to acquire the goods could not have been influenced by the statement.

(2F) Subsections (2D) and (2E) above do not prevent any public statement from being a relevant circumstance for the purposes of subsection (2A) above (whether or not the person to whom the goods are bailed or hired deals as consumer or, in Scotland, whether or not the goods are hired to a person under a consumer contract) if the statement would have been such a circumstance apart from those subsections.

(3) Where the creditor bails or hires goods under a hire-purchase agreement in the course of a business and the person to whom the goods are bailed or hired, expressly or by implication, makes known-

(a) to the creditor in the course of negotiations conducted by the creditor in relation to the making of the hire-purchase agreement, or

(b) to a credit-broker in the course of negotiations conducted by that broker in relation to goods sold by him to the creditor before forming the subject matter of the hire-purchase agreement,

any particular purpose for which the goods are being bailed or hired, there is an implied term that the goods supplied under the agreement are reasonably fit for that purpose, whether or not that is a purpose for which such goods are commonly supplied, except where the circumstances show that the person to whom the goods are bailed or hired does not rely, or that it is unreasonable for him to rely, on the skill or judgment of the creditor or credit-broker.

(4) An implied term as to quality or fitness for a particular purpose may be annexed to a hire-purchase agreement by usage.

(5) The preceding provisions of this section apply to a hire-purchase agreement made by a person who in the course of a business is acting as agent for the creditor as they apply to an agreement made by the creditor in the course of a business, except where the creditor is not bailing or hiring in the course of a business and either the person to whom the goods are bailed or hired knows that fact or reasonable steps are taken to bring it to the notice of that person before the agreement is made.

(6) In subsection (3) above and this subsection-

(a) "credit-broker" means a person acting in the course of a business of credit brokerage.

(b) "credit brokerage" means the effecting of introductions of individuals desiring to obtain credit-

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- (i) to persons carrying on any business so far as it relates to the provision of credit, or
 - (ii) to other persons engaged in credit brokerage.
- (7) As regards England and Wales and Northern Ireland, the terms implied by subsections (2) and (3) above are conditions.
- (8) In Scotland, “consumer contract” in this section has the same meaning as in section 12A(3) below.

11 Samples

- (1) Where under a hire-purchase agreement goods are bailed or (in Scotland) hired by reference to a sample, there is an implied term-
- (a) that the bulk will correspond with the sample in quality; and
 - (b) that the person to whom the goods are bailed or hired will have a reasonable opportunity of comparing the bulk with the sample; and
 - (c) that the goods will be free from any defect, making their quality unsatisfactory, which would not be apparent on reasonable examination of the sample.
- (2) As regards England and Wales and Northern Ireland, the term implied by subsection (1) above is a condition.