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trading standards law explained

Part 3. Consumer Contracts Regulations

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Introduction to the CCRs

While most cars are still displayed and sold on traditional 'forecourt' premises, a significant number are now sold in other ways, including online. The Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 (CCRs) apply to most businesses that enter into contracts with consumers*, whatever the method of sale, including dealers who only operate on-premises (forecourts), where an obligation to provide certain pre-contract information exists. The Regulations impose detailed information, cancellation and performance rules surrounding 'distance sales', (for example, internet selling under what is referred to as an 'organised distance sales scheme') and also contracts concluded in consumers' homes or other non-business premises.

[*Financial products offered by car dealers have specific information provision obligations, as required by the Financial Conduct Authority (FCA). See 'Credit and other financial matters' for more information.]

Detailed information on the CCRs can be found in the following guides:

- 'Consumer contracts: on-premises sales'
- 'Consumer contracts: off-premises sales'
- 'Consumer contracts: distance sales'

Pre-contract information requirements

On-premises (forecourt) sales

Car dealers, together with other retailers of goods, are obliged to give consumers certain information before the consumer is bound by an on-premises contract (for example, forecourt dealerships or other business premises). The information must be given in a clear and comprehensible manner, if that information is not already apparent from the context (in other words, it is fairly obvious).

The full list of the 11 information requirements is set out in the table below, along with an explanation about how each item may apply to the motor trade. The letters in the table match those given for the particular requirement in Schedule 1 to the CCRs.

Pre-contract information requirements for on-premises sales

Information requirement	Application in the motor trade
(a) The main characteristics of the goods, services or digital content, to the extent appropriate to the medium of communication and to the goods, services or digital content	A motor car is a complex device with a range of characteristics that will be of importance to a potential buyer. See also 'Giving insufficient information to consumers (misleading omissions)' in part 1
(b) The identity of the trader (such as the trader's trading name), the geographical address at which the trader is established and the trader's telephone number	Your name and address may be obvious for customers on your premises, but they must also be informed of a telephone number for further contact (See 'Introduction to the CCRs' above). You should make your legal name clear - for example, John Smith t/a ACME cars or ACME (123) Ltd t/a 123 Motors
(c) The total price of the goods, services or digital content, inclusive of taxes; or where the nature of the goods, services or digital content is such that the price cannot reasonably be calculated in advance, the manner in which the price is to be calculated	Motor vehicles offered for sale already have to be accompanied by a price or a very obvious price list (see also part 4)
(d) Where applicable, all additional delivery charges or, where those charges cannot reasonably be calculated in advance, the fact that such additional charges may be payable	These may be indicated on advertisements if you are willing to deliver vehicles as an occasional service
(e) Where applicable, the arrangements for payment, delivery, performance, and the time by which the trader undertakes to deliver the goods, to perform the service or to supply the digital content	The expectations of the seller in terms of payment (including the arrangements for part-exchange vehicle or other deposits) must be communicated clearly so that the consumer should be able to understand them

Information requirement	Application in the motor trade
	If you have one, explain your complaint-handling policy. **Note:** providers of services should already have a complaint-handling policy in place as required by the Provision of Services Regulations 2009. In addition, the CTSI Approved Code Scheme and some trade associations and professional bodies will also require a policy to be in place, which must be made available to consumers
(f) Where applicable, the trader's complaint-handling policy	
(g) In the case of a sales contract, a reminder that the trader is under a legal duty to supply goods that are in conformity with the contract	See 'Cancellation rights and performance requirements' below
(h) Where applicable, the existence and the conditions of after-sales services and commercial guarantees	See 'Cancellation rights and performance requirements' below
(i) The duration of the contract, where applicable, or, if the contract is of indeterminate duration or is to be extended automatically, the conditions for terminating the contract	Unlikely to apply to used car sales
(j) Where applicable, the functionality, including applicable technical protection measures, of digital content	Digital accessories are now fundamental for most drivers, and these may relate to the operation of the vehicle as well as obvious extras, such as the digital audio system and satellite navigation
(k) Where applicable, any relevant compatibility of digital content with hardware and software that the trader is aware of or can reasonably be expected to have been aware of	There are growing numbers of potential applications, many requiring enhanced mobile phone connectivity which may not always be available - for example, 5G for advanced driver-assistance systems

Distance and off-premises sales

If you are operating (see examples) a real distance selling scheme (or concluding car sales in consumers' homes or other non-business premises), you must:

- provide specified pre-contract information about the car and your business
- when an agreement is formed to sell a car, supply a further list of specified information in a 'durable medium' (for example, paper, email or placing the information in your customer's personal account

area of your website, which they can access by logging in)
- allow the buyer a 14-day 'cooling off period' to change their mind and cancel the purchase. No reason is required to be given for cancellation and there is no requirement for there to be anything wrong with the car
- meet specified performance criteria in relation to timescales for supply of the car or refunds if relevant

Example: fully online sales (distance sales)
A car dealer regularly sells cars over the internet and accepts payment online, delivering cars to the buyer without the buyer coming to the dealership at any time. In this scenario, these sales are cancellable distance sales contracts, giving the buyer 14 days from the day after the date of delivery to examine the car and send the vehicle back if they change their mind.

Example: mix of online and in-person (distance sales)
A car dealership advertises cars online on its website. A buyer orders a car and pays a deposit but must pick the car up from the dealership where full paperwork is exchanged and full payment mechanisms arranged. According to the explicit wording on the website and the confirmation email received by the buyer, the online actions commit the buyer to the sale and a contract is formed online. This is a distance sale, so the consumer has 14 days from the day after they collect the car from the dealership to exercise their right to cancel.

Example: mix of online and in-person (not distance sales)
A car dealership advertises cars online on its website. A buyer can put a hold on a car for a set period, with a view to visiting the dealership to conclude the contract, make full arrangements including payment and collect the vehicle. On visiting the dealership, the buyer signs contract paperwork and picks up the car. This is an 'on-premises' sale and is not a distance sale; therefore the consumer has no cooling-off period and no cancellation rights.

The letters in the table below match those given for the particular requirement in Schedule 2 to the CCRs.

Pre-contract information requirements for distance and off-premises sales*

Information requirement	Application in the motor trade
(a) The main characteristics of the goods, services or digital content, to the extent appropriate to the medium of communication and to the goods, services or digital content	A motor car is a complex device with a range of characteristics that will be of importance to a potential buyer. See also 'Giving insufficient information to consumers' in part 1

Information requirement	Application in the motor trade
(b) / (c) The identity of the trader (such as the trader's trading name), the geographical address at which the trader is established and, where available, the trader's telephone number, fax number and e-mail address, to enable the consumer to contact the trader quickly and communicate efficiently	You must make your legal name clear - for example, John Smith t/a ACME cars or ACME (123) Ltd t/a 123 Motors
(d) Where the trader is acting on behalf of another trader, the geographical address and identity of that other trader	Provide full details of any other business on whose behalf you are acting
(e) If different from the address provided in accordance with requirement (c) above, the geographical address of the place of business of the trader, and, where the trader acts on behalf of another trader, the geographical address of the place of business of that other trader, where the consumer can address any complaints	As above
(f) The total price of the goods, services or digital content, inclusive of taxes, or where the nature of the goods, services or digital content is such that the price cannot reasonably be calculated in advance, the manner in which the price is to be calculated	Motor vehicles offered for sale already must be accompanied by a price or a very obvious price list (see also part 4). Any additional charges must be included, and the total price payable must be clear to the buyer
(g) Where applicable, all additional delivery charges or, where those charges cannot reasonably be calculated in advance, the fact that such additional charges may be payable	If your online sales service includes delivery to the consumer for a charge, that charge must be clearly indicated. This will not be relevant if the consumer collects the car from your premises
(h) In the case of a contract of indeterminate duration or a contract containing a subscription, the total costs per billing period or (where such contracts are charged at a fixed rate) the total monthly costs	Unlikely to apply to used car sales
(i) The cost of using the means of distance communication for the conclusion of the contract where that cost is calculated other than at the basic rate	For example, premium rate phone lines

Information requirement	Application in the motor trade
(j) The arrangements for payment, delivery, performance, and the time by which the trader undertakes to deliver the goods, to perform the services or to supply the digital content	The expectations of the seller in terms of payment (including the arrangements for part-exchange vehicle or other deposits) must be communicated clearly so that the consumer should be able to understand them. Delivery or collection arrangements must be indicated
(k) Where applicable, the trader's complaint-handling policy	If you have one, explain your complaint-handling policy. **Note:** providers of services should already have a complaint-handling policy in place as required by the Provision of Services Regulations 2009. In addition, the CTSI Approved Code Scheme and some trade associations and professional bodies will also require a policy to be in place, which must be made available to consumers
(l) Where a right to cancel exists, the conditions, time limit and procedures for exercising that right	Most online sales give the buyer two weeks to cancel without giving a reason. Full details of this right and how to exercise it must be indicated. Some of the exemptions that apply to the right to cancel can be found in the 'Consumer contracts: distance sales' guide
(m) Where applicable, that the consumer will have to bear the cost of returning the goods in case of cancellation and, for distance contracts, if the goods, by their nature, cannot normally be returned by post, the cost of returning the goods	This provision may be important in online car sales where return costs could be significant. If you seek to have the consumer bear the costs of returning a vehicle cancelled during the cooling off period, you must make the conditions and likely costs clear

Information requirement	Application in the motor trade
(n) That, if the consumer exercises the right to cancel after having made a request in accordance with regulation 36(1), the consumer is to be liable to pay the trader reasonable costs in accordance with regulation 36(4)	This relates to service contracts and is not relevant to most distance car sales
(o) Where under regulation 28, 36 or 37 there is no right to cancel or the right to cancel may be lost, the information that the consumer will not benefit from a right to cancel, or the circumstances under which the consumer loses the right to cancel	Some exemptions to the right to cancel exist. For further information, see the 'Consumer contracts: distance sales' guide
(p) In the case of a sales contract, a reminder that the trader is under a legal duty to supply goods that are in conformity with the contract	See 'Cancellation rights and performance requirements' below
(q) Where applicable, the existence and the conditions of after-sale customer assistance, after-sales services and commercial guarantees	See 'Cancellation rights and performance requirements' below
(r) The existence of relevant codes of conduct, as defined in regulation 5(3)(b) of the Consumer Protection from Unfair Trading Regulations 2008*, and how copies of them can be obtained, where applicable [*Now replaced by s.226(1)(d) and (4) of the Digital Markets, Competition and Consumers Act 2024 (DMCCA)]	If you are a member of a trade association or similar body, and are committed to comply with its code of conduct, you must indicate this
(s) / (t) The duration of the contract, where applicable, or, if the contract is of indeterminate duration or is to be extended automatically, the conditions for terminating the contract; where applicable, the minimum duration of the consumer's obligations under the contract	Unlikely to apply to used car sales
(u) Where applicable, the existence and the conditions of deposits or other financial guarantees to be paid or provided by the consumer at the request of the trader	Details of any required deposit payments or other financial guarantees must be indicated

Information requirement	Application in the motor trade
(j) Where applicable, the functionality, including applicable technical protection measures, of digital content	Digital accessories are now fundamental for most drivers, and these may relate to the operation of the vehicle as well as obvious extras, such as the digital audio system and satellite navigation
(k) Where applicable, any relevant compatibility of digital content with hardware and software that the trader is aware of or can reasonably be expected to have been aware of	There are growing numbers of potential applications - for example, connection to mobile phone or other device
(x) Where applicable, the possibility of having recourse to an out-of-court complaint and redress mechanism, to which the trader is subject, and the methods for having access to it	If your sales are subject to any alternative dispute resolution (ADR) scheme, such as from a trade association or other code membership, you must give details (see part 2)

Cancellation rights and performance requirements

In general, online consumer buyers can cancel a purchase for up to 14 days (starting on the day after they receive the goods), without giving a reason and without there being anything wrong with the purchase. This is totally separate from the rights provided by the CRA in relation to satisfactory quality and description. You must accept a cancellation that is done correctly by a consumer under the CCRs and reimburse the consumer within 14 days.

Unless a specific timescale is agreed in the contract with a consumer, you must deliver or otherwise make available a vehicle without undue delay and not more than 30 days after the contract was entered into.

Practicalities and consequences

How dealers practically pass on the relevant information prior to the conclusion of a contract is not set out in strict detail, allowing you some flexibility in how you provide these details.

The CCRs state that the information must be given before the contract is concluded, in a clear and comprehensible manner. The information does not have to be in writing, but having it in writing does provide retailers with some certainty over the actual content relayed to consumers.

Failure to provide the required information would allow a buyer to claim that you have breached your contract with them, and the buyer could seek legal redress. There would also be a potential claim if any of the required information that you had provided was incorrect.

Rights and guarantees

The specific requirement to remind buyers that a seller is under a legal duty to supply goods that conform with the contract was new to consumer law when introduced in 2014. It has long been the case that when sellers made statements about the contractual terms of sale, they were obliged to make clear that 'this did not affect the consumer's statutory rights'. The then-new information provision goes one step further in

that retailers are now obliged to openly and explicitly make clear that consumers have legal (statutory) rights - that is, those basic legal rights set out in the Consumer Rights Act 2015 (see part 2).

For example, you might say: "It is our responsibility to supply you with vehicles that meet your consumer rights. If you have any concerns that we have not met our legal obligations, please contact us".

Sellers also have to give information on the existence and conditions of any commercial guarantee or warranty issued with a vehicle (see 'Warranties and guarantees' in part 2).

Making changes

Making changes to any of the information given before entering into the contract, or later, is not effective unless expressly agreed between the consumer and the trader. Any information that you give to the consumer, as required by this Regulation, is to be treated as a term of the contract.

Default options for additional charges

Where there are additional items linked to the main contract (for example, gap insurance or chargeable warranties), paying for these items must not be the default option. Consumers must always be asked to expressly consent to any additional charges.

Consumers will not be liable for any additional payments that they have not actively consented to, and they have the right to request that they are refunded for these payments.

Basic rate telephone helpline charges

If you provide a telephone line for consumers to contact you in relation to a contract that they have entered into with you, you cannot charge more than a basic rate for this service. Therefore, you can only charge normal geographic or mobile rates. A consumer must not have to pay more to contact you about their purchase than they would to phone a friend or relative.

Consumers who are charged more than the basic rate are entitled to claim any overcharge back from you.

What happens if you don't comply with the CCRs?

If a business does not comply with the CCRs, Trading Standards services can take action under Part 3 of the DMCCA, including applying for a court order.

For more information, see 'Trading Standards: powers, enforcement and penalties'.

< Part 2. Consumer Rights Act

> Part 4. Price Marking Order / Payment Surcharges Regulations

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