businesscompanion
trading standards law explained

Part 2. Fair-trading law

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Legislation

In this second part of the guidance, we will look at three important pieces of fair-trading legislation:

- Digital Markets, Competition and Consumers Act 2024 (DMCCA)
- Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 (CCRs)
- Consumer Rights Act 2015 (CRA)

We will give you a broad overview of the legislation and how it might apply to your sector, and provide links to more detailed guidance on Business Companion. We will add more practical examples of how the DMCCA may affect your business in parts 3 and 4.

Digital Markets, Competition and Consumers Act 2024

The DMCCA aims to ensure that owners are treated fairly, that they have the correct information they need to take an informed decision, and that aggressive practices are not used to force them to make a decision. You will see that DMCCA does not just apply to your marketing and selling of holiday caravans / lodges, it is just as relevant to your dealings with owners throughout their contract with you. The DMCCA will also apply when you purchase a holiday caravan / lodge from an existing owner.

Commercial practices and transactional decisions

The DMCCA applies to any commercial practice you engage in with an owner before, during and after they enter into a contract with you. The information you provide on your website, advertising materials and the information that is given to an owner during the sales process, including the contract documentation itself, are all commercial practices. The way you explain or enforce your terms and conditions and your complaints-handling procedures are also considered to be commercial practices.

A transactional decision is also an important concept in the DMCCA. It includes an owner's decision to do something or not to do something, both at the time of purchase and when exercising their contractual rights. Examples of transactional decisions are:

- Deciding to visit your park to attend a sales presentation
- A decision to buy a holiday caravan / lodge from you
- A decision to buy directly from you, rather than from an existing owner by way of a private on-park purchase
- A decision not to challenge a pitch fee price rise
- A decision to buy decking from a contractor that you have an arrangement with, rather than shopping around for quotes from other suppliers that would meet the criteria for safe working on your holiday park and could supply similar, or identical, materials that meet your requirements
- A decision to complain, or not to complain, to you or to organisations such as Trading Standards or the Police

The DMCCA uses the concept that the 'average consumer' would have made a different transactional decision if they had been given full and accurate information or had not been unfairly pressurised to take that decision.

An 'average consumer' is the standard that the DMCCA uses when applying the transactional decision test. It is based upon a person who is "reasonably well informed, reasonably observant and circumspect". The qualities of this consumer can be modified if a court considers the consumer to be vulnerable - for example, a first-time buyer may be considered to be more vulnerable than an owner who has purchased a holiday caravan / lodge before. If you are targeting a specific group in your marketing (for example, older consumers) the average consumer test will be based upon members of that specific group.

A general duty to trade fairly

The DMCCA also sets out a general duty to trade fairly. You must not breach the requirements of professional diligence. This means that your practices must not fall short of the standard of skill and care that is reasonably expected to be exercised towards consumers, taking into account honest market practice and the general principle of good faith in the holiday park sector. If your practices don't meet these requirements and are likely to affect the transactional decision of the average consumer, you will be

in breach of the law. If you treat your customers fairly and honestly, you are unlikely to be in breach of these requirements.

Misleading actions

A misleading action can occur in a number of different ways - for example:

- Where a practice contains false or misleading information
- If the presentation of a practice is deceptive, even if the information is factually correct
- If your marketing causes or is likely to cause confusion with another trader, their product or distinguishing mark

In each case, for the practice to be a misleading action, it needs to be likely to cause the average consumer to take a decision that they would not have taken otherwise.

Failing to comply with a code of conduct that you claim to be complying with is also a misleading action.

This will also include misleading claims about prices - for example, using a false previous selling price in a sales promotion, or giving an owner incorrect information about what alterations they can make to their pitch or their right to use their holiday caravan / lodge as a primary residence. More examples will be given in parts 3 and 4.

Misleading omissions

These occur when your practice omits or hides 'material information' that the average consumer needs to take an informed decision They also occur when material information is presented in a manner that is unclear or untimely, or in such a way that the consumer is unlikely to see it. You must provide any information that you are required to give under any other law and must identify any commercial intent when contacting a consumer. The practice must also be likely to cause them to take a different transactional decision as a result. Material information must be provided to owners when they need it, whether or not they have asked for it.

Misleading omissions will include failing to make clear that the selling price does not include other costs, such as pitch fees, that a prospective owner would have to pay when purchasing a holiday caravan / lodge. More examples will be given in parts 3 and 4.

Invitation to purchase

This is defined as "a commercial practice involving the provision of information to a consumer:
(a) which indicates the characteristics of a product and its price, and
(b) which enables, or purports to enable, the consumer to decide whether to purchase the product or take another transactional decision in relation to the product."

This means that if you are giving consumers a price and information about your park home, you must give them all the key information they need to make an informed decision. This could include an advertisement on TV or in a newspaper.

It is important to note that if there is no price, it is not an invitation to purchase. However, you will still have to make sure that you are not misleading consumers or omitting information that would affect the consumer's decision.

The Act lists information that, if omitted, or provided in an unclear or untimely way, would be considered to be material information that must not be omitted from an invitation to purchase.

This information is as follows:

- Main characteristics of the product (in other words, what it is and what it does)
- The total price, including all mandatory fees, taxes, charges and other payments
- If the final price cannot be calculated in advance, then information must be given to allow the consumer to understand how the price is calculated. All pricing information must be given with equal prominence
- Any optional delivery charges not already included in the total price. If it is not possible for the charges to be calculated, then a statement that such charges are payable must be given
- The identity of the trader and the identity of any other person on whose behalf the trader is acting
- The trader's business address and, if different, the address where documents can be served, together with the trader's email address
- If the trader is acting on behalf of another person (for example, as an agent, subcontractor, etc), that person's contact information
- For products involving a right of withdrawal or cancellation (for example, distance or off-premises contracts), information about that right must be given. For more information on these types of contracts, please see 'Consumer contracts: distance sales' and 'Consumer contracts: off-premises sales'
- If the trader is acting in a way that is different from their published practice, then details about how it differs from this published practice
- Any other information that is required to be given by a trader under any other legislation

All of this information must be provided clearly, in a timely manner, and in such a way that the consumer is likely to see it.

Drip pricing

Drip pricing is also covered by the requirements not to omit material information from an invitation to purchase. Any information about price in an invitation to purchase must be the total price of the product, including all mandatory charges that the consumer will have to pay. Effectively, the price that is seen by the consumer on the website, in the advertisement, etc must be the price that they pay. Traders should not give a 'headline price' and then add additional fees and charges throughout the transaction process.

Aggressive commercial practices

These are practices that intimidate or exploit owners through harassment, coercion or undue influence, significantly impairing their ability to make free or informed choices, and which are likely to cause them to take a different transactional decision as a result. Aggressive practices include both physical and non-physical pressure - for example, psychological pressure, use of threatening language, or taking advantage of the owner's position or vulnerability.

Aggressive practices would include pressure selling, where a prospective owner is pushed to decide to buy

immediately in order to benefit from a claimed price advantage. It could also include threats to terminate an owner's pitch licence agreement if they question charges levied against them or continue to pursue a complaint against you. More examples will be given in parts 3 and 4.

Banned practices

The DMCCA sets out a list of 32 specific practices (sometimes referred to as 'banned practices') that are considered unfair in all circumstances, whether or not they affect owners' decision making. Examples of banned practices include:

- Falsely claiming to be a member of a trade body's code of conduct
- Bait and switch advertising - for example, advertising a holiday caravan / lodge that you don't actually have in stock, with a view to getting prospective owners to your holiday park and then selling them a different product
- Falsely claiming that a price is only available for a limited time, in order to put pressure on a prospective owner to make an immediate decision
- Fake reviews, which includes submitting or commissioning another person to submit or write a review about your park home, or concealing the fact that reviews have been incentivised. It also covers publishing consumer reviews or review information in a misleading way, not taking reasonable and proportionate steps to prevent offences when publishing consumer reviews or information relating to their reviews, and offering or facilitating such services

Unlike the other commercial practices, there is no transactional decision test applied to banned practices.

Consequences of getting it wrong

It is a criminal offence to breach the DMCCA, and doing so can lead to an unlimited fine and/or up to two-years' imprisonment. Criminal enforcement action can be taken by public enforcers, including local authority Trading Standards services and the Competition and Markets Authority (CMA). Trading Standards services and the CMA can also take injunctive action under Part 3 of the DMCCA, which can include monetary penalties, Undertakings, Enforcement Orders and Enhanced Consumer Measures, including obtaining redress for owners who have been affected by unfair practices. See our 'Civil enforcement' Business in Focus guide for more information.

An important defence to criminal proceedings for traders is to show that the offence was committed despite you having taken all reasonable precautions and exercised all due diligence to avoid the commission of the offence by you, your staff or sub-contractors working for you.

A due diligence system ensures that systems and procedures are in place to avoid breaking the law, and checks and audits are in place to ensure that these systems are working and are up to date with current law and your business practices. Systems in place will include:

- Checking all marketing material for compliance, with clear rules for who is responsible for local and national advertising, including information on your website and social media
- Ensuring all contractual documentation complies with the law
- Training all staff to ensure that your business meets its legal requirements. You should also keep records of staff training
- Having a clear complaints procedure, including retaining records of any complaints received and action taken to rectify the issue raised, and to prevent it from occurring again

Further information

Further information on the DMCCA can be found in 'Protection from unfair trading (criminal law)'. Among other things, it includes an explanation of the term 'transactional decision' and brief information on each of the 32 banned practices.

Rights of redress

The DMCCA replaces the Consumer Protection from Unfair Trading Regulations 2008 (CPRs), but it is not yet completely in force. For the time being, consumers' rights of redress are still covered by the CPRs.

Owners may be able to take civil action if they have agreed a contract with you as the result of a misleading or aggressive action. The remedies available to them within the CPRs are:

- The right to 'unwind' the contract within 90 days from when the goods are first delivered or when the performance of a service begins. This means that an owner purchasing a holiday caravan / lodge from you would be entitled to reject it and claim a full refund if you have misled them into making a purchase
- The right to a discount. This would apply if the 90-day period has passed; a court would decide the appropriate discount based upon the seriousness of the breach

An owner may also be able to claim damages where they have suffered financial losses as a result of your use of a misleading or an aggressive action. These damages may include compensation for any alarm, distress and physical inconvenience or discomfort, caused by a misleading or aggressive practice.

See 'Protection from unfair trading (consumers' rights of redress)' for further information.

Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013

The CCRs apply to most on-premises, off-premises and distance contracts between traders and owners. The Regulations set out pre-contract information that you must provide to prospective owners before they enter into a contract with you. This information must be clear and easy to understand.

The CCRs also set out the cancellation periods for distance and off-premises contracts. They ban the sole use of premium-rate helplines for owners contacting you in connection with a contract, and also ban negative option practices, such as the use of pre-ticked boxes to sell additional products.

Types of contracts

It is important that you know the type of contract you are entering into to ensure that you are giving prospective owners the right to cancel (if you are entering into distance or off-premises contracts). We assume that most contracts for the sale of holiday caravans / lodges will be made on-premises, for which there is no legal requirement to give a right to cancel, although you may choose to offer this. However, we will describe all three types of contracts and give examples of how they might apply to your sector.

Off-premises contracts

These are contracts that are concluded with the owner away from your business premises - for example, in the owner's home. Whether a contract concluded at a show or exhibition is classified as off-premises will depend on the circumstances of each case. An important consideration would be whether the average consumer would see the stand as being a place where the trader carries out their activities on a usual basis, and whether they would expect to be sold goods and/or services if they visited the stand.

If you have any doubt, seek further advice on the exact circumstances of the contracts that you are entering into.

Distance contracts

These are contracts that are negotiated and agreed exclusively by one or more organised means of distance communication, such as over the telephone or email or via your website, and without any face-to-face negotiation with the owner.

On-premises contracts

These are contracts that are not off-premises or distance contracts; they will include contracts entered into on your park.

Examples

Practical examples of contract types

Transaction	Type of contract	Explanation
A prospective owner agrees to purchase a holiday caravan / lodge on your holiday park. The contract documentation is signed on site	On-premises contract	The contract has been agreed on business premises
A prospective owner purchases a holiday caravan / lodge over the internet. They do not visit your holiday park	Distance contract	The contract has been agreed exclusively by means of distance communication
A prospective owner visits your holiday park and views holiday caravan / lodges. They do not make a decision on the day but do so later after various phone calls and emails. To help them out, one of your staff takes the paperwork to them and both parties sign the paperwork in the owner's home	Off-premises contract	The important point is where the contract was concluded. In this case it was in the owner's home

Transaction	Type of contract	Explanation
A prospective owner visits your holiday park and views holiday caravans / lodges. They discuss their options and prices with your sales staff whilst on your holiday park but can't make up their mind which one to purchase. Once they have made up their mind the documentation is emailed to them, and they sign it electronically	On-premises contract	Although the contract was agreed virtually, the initial negotiations were face-to-face and, therefore, the contract was not made exclusively by means of distance communication

Information requirements

All types of contracts are required to provide pre-contract information about your business and what you are selling. This includes:

- Details of the holiday caravan / lodge (and/or other goods supplied)
- Your identity, geographical address and telephone number
- Total price
- Any delivery or installation charges
- Payment arrangements
- Your complaint-handling policy, if you have one
- A reminder that you are under a duty to sell goods that conform with the contract
- Details of any after-sales services and guarantees
- The duration of the contract (most likely this will relate to the pitch licence agreement)

All of this information has contractual force and may not be changed by you without the owner's express agreement. If you are entering into off-premises or distance contracts, you must give additional information, including information about owners' right to cancel (how long the period is, how they can cancel and their rights if they do).

Cancellation rights

The normal cancellation period for most off-premises and distance contracts starts the day after the contract was made and ends 14 days after the day that the owner takes possession of the goods. Bearing in mind the time between agreeing the contract and siting the holiday caravan / lodge, this could be quite a long period, and the owner would be able to cancel their order in the period without any penalty.

Getting this wrong can have severe implications for your business; entering an off-premises or distance contract without giving the appropriate cancellation information can extend the cancellation period by up to one year. It is also a criminal offence to enter into an off-premises contract without providing the required cancellation information.

Further guidance

This is a complex area of law and if you are using, or planning to use, off-premises or distance contracts, you must seek further guidance. You can also find more detailed guidance, including information on contracts that are exempt from the requirement to give a right to cancel, in three separate Business Companion guides:

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

Consumer Rights Act 2015

The CRA sets out consumers' rights when they buy goods, services or digital content from a trader. Although this guide focuses on the sale of a holiday caravan / lodge, owners' rights will be the same when they buy any goods from you. The rules are the same when an owner buys a pair of flip flops from your shop as they are when they buy a holiday caravan costing £75,000.

Owner's rights regarding services will also be relevant to your business where you may charge for carrying out modifications, servicing a boiler or installing decking, so these will also be covered in this guide.

More detailed guidance on the CRA can be found in 'Selling and supplying goods' and 'Supplying services'.

Owners' rights when buying goods from you

An owner buying a holiday caravan / lodge from you, or any other goods, has a number of rights.

The goods must be of a satisfactory quality

Goods must be of a standard that a reasonable person would regard as satisfactory. In assessing quality, all relevant circumstances must be considered, including price, description and your (or the manufacturer's) advertising. Quality is a general term, which covers a number of matters, including:

- Their state and condition
- Fitness for all the purposes for which goods of that kind are usually supplied
- Appearance and finish
- Freedom from minor defects
- Safety
- Durability

A holiday caravan / lodge is a complex and expensive item. Therefore, its price and age will be important factors in deciding whether a particular problem means that it is not of satisfactory quality. How long after purchase that the fault occurs may also be relevant; you cannot be held liable for faults that are down to fair wear and tear or misuse by the owner.

An owner cannot complain about faults that were brought to their attention before the sale or were obvious if they had taken the opportunity to examine their holiday caravan / lodge before the sale.

The goods must be fit for a particular purpose made known

When an owner indicates that goods are required for a particular purpose, or where it is obvious that goods are intended for a particular purpose and you supply them to meet that requirement, the goods

must be fit for that specified purpose.

This would apply when the owner has used the expertise of your staff to help them select the right holiday caravan / lodge for their needs; perhaps they have a disability and have asked for guidance about their planned use.

This shows the importance of staff training. Sales staff should not be answering questions when they are not competent to answer. They may make a sale from doing so, but they may also leave your business open to a potential breach-of-contract claim, which, as you will see below, may mean that owner can reject their holiday caravan / lodge and claim a full refund.

The goods must match the description, sample or model

The holiday caravan / lodge must match any descriptions that were made prior to purchase. If you say the model has underfloor heating, it must have this; if you say that it meets the residential-use Standard for construction (see 'Information about what you are selling' in part 3), despite it being supplied for holiday use, this must be so. You will also be responsible for marketing material, produced by the manufacturer, that you hand to an owner.

If an owner has been shown a carpet swatch, or a tile sample, then what they buy must ordinarily be the same as the sample they have seen. Similarly, if an owner has viewed a display model of the holiday caravan, what they are delivered must ordinarily be the same. This requirement is subject to any variations that the prospective owner is made aware of (and to which they agree) before they are committed to the purchase.

A transparent and fair contract term, which is clearly explained to the owner before they become committed, may also allow minor changes to specification as long as it does not affect the suitability of the product or conflict with any points that have been expressly agreed.

Goods must be installed correctly

Goods must be installed correctly if installation is part of the contract. Therefore, if you are siting a holiday caravan / lodge, or installing decking, you will be responsible for any faults that you have caused. Remember you are also responsible for the actions of sub-contractors who deliver these services on your behalf.

Remedies when goods rights are breached

As can be seen below, an owner's remedy when their rights are breached will depend upon how long they have owned the holiday caravan / lodge or other goods.

Short-term right to reject

The short-term right to reject goods lasts for 30 days. The period does not start until the owner has taken possession of their holiday caravan / lodge. However, the short-term right to reject does not apply if the only breach is that the goods have been installed incorrectly, in which case their remedy is the right to a repair or replacement. It is possible that incorrect siting of a holiday caravan / lodge may also lead to faults with the holiday caravan / lodge itself, which will also mean that the unit is not of satisfactory quality and the owner will have a short-term right to reject for that breach.

If the owner asks for or agrees to a repair or replacement during this initial 30-day period, the period is

paused so that the owner has the remainder of the 30-day period or seven days after they receive their replacement or the repair has been completed (whichever is longer), to check whether the repair or replacement has been successful and to decide whether to reject the goods.

When an owner rejects a holiday caravan / lodge, they can claim a full refund (which can include the return of items handed over in exchange or part-exchange, or their trade-in value if you no longer have them). A refund must be given without undue delay, and in any event within 14 days of you agreeing that the owner is entitled to a refund.

Repair or replacement

When there is a breach of contract, but the owner has lost or chooses not to exercise their short-term right to reject goods, they will be entitled in the first instance to claim a repair or replacement.

Where a repair or replacement is claimed, you must do this at no cost to the owner, within a reasonable time and without causing significant inconvenience.

The owner cannot choose one of these remedies above the other if the chosen remedy is either impossible or disproportionate compared to the other remedy. Also, once the owner has chosen a remedy, they must give you a reasonable time to provide that remedy.

The remedies fail if, after just one attempt at repair or replacement, the goods still do not meet the necessary requirements. The owner does not have to give you multiple opportunities to repair or replace, although they can do so if they wish. The remedies also fail if they are not provided within a reasonable time and without causing significant inconvenience to the owner.

In either case, where repair or replacement fail, the owner is entitled to further repairs or replacements, or they can claim a price reduction or the final right to reject (see below). The same rule applies if both repair and replacement are impossible or disproportionate from the outset.

Price reduction and the final right to reject

If a repair or replacement is not available, is unsuccessful or is not provided within a reasonable time and without significant inconvenience to the owner, then they can claim a price reduction or reject the goods.

A price reduction must be an appropriate amount, which will depend on all the circumstances of the claim. It can be any amount up to the whole price.

If the owner rejects the goods, they are entitled to a refund. This refund may be reduced to take account of any use the owner has had from the goods. No deduction can be made where goods are rejected within six months of supply, except where the goods are a motor vehicle. There is no clear guidance as how to calculate usage, but any calculation must be fair to the owner.

This can have major implications when a holiday caravan / lodge is involved and is a real incentive to repair faults properly and promptly. You may be reliant on the manufacturer to achieve this, but remember that the owner's contract is with you; any delay you suffer is unlikely to be relevant to the owner's rights to a full or partial refund, except in exceptional circumstances that are entirely outside your control.

Additional compensation

In addition to the remedies outlined so far in this guidance, owners may also be able to claim compensation for losses that have been incurred. These losses might include the cost of any lost holiday-let income, compensation for damage to their property in the holiday caravan / lodge or for personal

injury.

The burden of proof

If the owner chooses repair, replacement, price reduction or the final right to reject, and if the defect is discovered within six months of delivery, it is assumed that the fault was there at the time of delivery unless you can prove otherwise - for example, obvious signs of misuse. This rule is often known as the 'reverse burden of proof', as it reverses the normal rule that a person making a claim must prove each aspect of that claim.

If more than six months have passed, the owner must prove that the defect was there at the time of delivery. They must also prove that the defect was there at the time of delivery if they exercise their short-term right to reject goods. Some defects do not become apparent until quite some time after delivery; in these cases, it is enough to prove that there was an underlying or hidden defect at that time.

The burden of proof for any additional compensation (see above) will always be on the owner.

Time limits for court action

Owners can expect their holiday caravan / lodge not to fail prematurely. However, there is a time limit that eventually prevents owners from making a claim through the courts.

An owner cannot normally bring a claim to court more than six years after the breach of contract (usually the date of delivery in a contract for the sale of goods). In Scotland, the time limit is five years from discovery of the breach, which is, potentially, a longer period than for the rest of the UK.

Delivery of goods

You must be very clear about delivery times for goods. It may not be possible to specify an exact date for when a new holiday caravan / lodge will be delivered, but it should be possible to give an indication of timescale, along with a commitment to advise the new owner of an actual delivery date as soon as you know it.

Your contract should also contain a right for an owner to walk away from your contract without any penalty if there is an unreasonable extension of the expected delivery period; this includes refunding money they have already paid you.

Clear information about delivery dates and regular updates for your new owner are essential to avoid unnecessary disputes.

Owner's rights when buying services from you

These rights will apply when owners contract directly with you for services, which includes services provided by you as part of their pitch fees, as well as other services such as installation or servicing. The contract is with you, so it will not matter whether the work is carried out by you, your staff or sub-contractors.

The service must be carried out with reasonable care and skill

This means that you must, as a minimum, work to the same standard as any reasonably competent person in your trade or profession.

Anything that you have said or written to the owner is binding where they rely on it. This will include quotations and any promises about timescales or the results to be achieved. This again shows the importance of staff training; they should not be making promises that you cannot keep.

The cost of the service must be reasonable

A contract will often specify a price, or it will be clear about how the price will be calculated (for example, an hourly rate). Where the price is not agreed beforehand, the price must be reasonable. Typically, this will be judged against the prices that other similar traders might have charged.

It is best practice to provide your owners with written quotations for any work that you are to carry out for them. These should contain clear information about what will be done and the cost. Any extra work agreed should be subject to a separate written quotation, to avoid any disputes about what was agreed. If a contract is to be made with an independent contractor, even if arranged by you, this must be made clear in the quotation and any contract documentation.

The service must be carried out within a reasonable time

Often, a contract will specify a date or time for the service to be performed or completed. Where there is no agreement about time, the timescale must nevertheless be reasonable. What is reasonable depends on the type of service and all other relevant circumstances.

Remedies when services rights are breached

If you breach the contract for the supply of services by failing to meet the standards required under the CRA, the owner is entitled to a repeat performance of the service or to a price reduction.

Repeat performance

This remedy is available where you fail to exercise reasonable care and skill or where you breach a requirement arising from information that the owner has been given about the service. The owner can require you to repeat the service in order to complete it properly. This work must be done at no cost to them, within a reasonable time and without causing them significant inconvenience.

The owner cannot ask for repeat performance where it has become impossible for you to complete the service to the required standard.

Price reduction

The owner can claim a price reduction where repeat performance is impossible or cannot be carried out within a reasonable time and without causing significant inconvenience. A price reduction can also be claimed where the service is not carried out within a reasonable time.

The amount of the price reduction will depend on how serious the breaches were, and it can be anything up to 100% of the price. Therefore, if the owner has already paid in full or in part for the service, they may be entitled to some money back.

Other remedies

The remedies under the CRA do not take away the owner's existing legal rights, which can include claiming compensation where you fail to meet the standards required by the Act or under an agreed term of the contract.

Excluding or limiting an owner's rights under the CRA

Any term that you use in your contract to limit or exclude an owner's rights under the CRA is likely to be unfair and, therefore, have no effect. This would include a term that places the onus on the manufacturer to carry out repairs and for the owner to deal directly with them, or one that attempts to limit an owner's rights to redress. See part 1 of this guide for more information on contract law.

Alternative dispute resolution (ADR)

As a business dealing with owners, you must comply with the Digital Markets, Competition and Consumers Act 2024. If a dispute cannot be resolved with an owner and you have a deadlock situation, you must inform them of the following:

- That you are unable to settle their complaint
- Details of any ADR or other arrangement that is available to an owner (only if one is available)

You may belong to a trade association that offers and/or requires you to go through their own ADR process.

Further information about ADR can be found in 'Alternative dispute resolution'.

< Part 1. Contract law and unfair terms

> Part 3. Sales, marketing and entry into contracts

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Source URL: *https://businesscompanion.owastaging.co.uk/focus/holiday-parks/part-2-fair-trading-law*