businesscompanion
trading standards law explained

Unfair contract terms

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This guidance is for England, Scotland and Wales

If you wish to rely on the terms of the contracts that you have with consumers, it is essential that those terms are 'fair'. An unfair term is not legally binding on consumers, and enforcers can also take action to stop you using it.

The Consumer Rights Act 2015 covers the use of unfair terms in consumer contracts. Consumer contracts are those between traders and consumers (although this does not include employment contracts). As well as terms in consumer contracts, the Act applies to certain consumer notices, whether they are in writing or not.

CMA guidance

The Competition and Markets Authority (CMA) has published *Unfair Contract Terms: Guidance on the Unfair Contract Terms Provisions in the Consumer Rights Act 2015*, which can be found on the GOV.UK website. This guidance was updated in July 2026.

The CMA has also produced guidance on how to write fair contracts, which has also been updated.

Trading Standards

For more information on the work of Trading Standards Services and the possible consequences of not abiding by the law, please see 'Trading Standards: powers, enforcement and penalties'.

In this update

The CMA unfair contract terms guidance has been updated.

Last reviewed / updated: July 2026

Key legislation

- Consumer Rights Act 2015

Please note

This information is intended for guidance; only the courts can give an authoritative interpretation of the law.

The guide's 'Key legislation' links go to the legislation.gov.uk website. The site usually updates the legislation to include any amendments made to it. However, this is not always the case. Information on all changes made to legislation can be found by following the above links and clicking on the 'More Resources' tab.

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