

businesscompanion

trading standards law explained

Introduction

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In this guide, the words 'must' or 'must not' are used where there is a legal requirement to do (or not do) something. The word 'should' is used where there is established legal guidance or best practice that is likely to help you avoid breaking the law.

Using this guidance

This guidance is intended to help you, as a second-hand car dealer, to comply with important pieces of consumer protection law that affect how you deal with consumers, including:

- the Consumer Protection from Unfair Trading Regulations 2008 (CPRs), which ensure that you deal with consumers fairly and honestly
- the Consumer Rights Act 2015 (CRA), which sets out your legal obligations to consumers with regard to the quality of the vehicle and the description you provide for it. It also sets out your duties when something goes wrong with the vehicle
- the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 (CCRs), which set out the information that a trader must give to a consumer before and after making a sale, how that information could be given, and the right for consumers to change their minds when buying at a distance or off-premises

The guidance is in five parts. Part 1 contains guidance on how to comply with the CPRs, including a flowchart to help you assess whether any of your business practices are likely to be unfair. Part 2 contains guidance on your legal obligations to consumers under the CRA, including a flowchart summarising the legal remedies consumers are entitled to where the vehicles you sell are not of 'satisfactory quality'. For those car dealers who also service cars, there is a short explanation of the requirements of the CRA in relation to service contracts. Part 3 contains guidance on your legal obligations to consumers under the CCRs, summarising in particular pre-contract information requirements. Part 4 briefly looks at the law on 'alternative dispute resolution' (ADR). Part 5 sets out details on pricing and payment provisions.

The guidance not only applies to the selling of second-hand cars but also other vehicles (such as second-

hand motorcycles and light commercial vehicles) when you make a sale to a consumer. When it comes to consumer law, electric / hybrid vehicles are no different to those that run on traditional fuels, so the guidance applies equally to them. By 'second-hand' the guidance is referring to any vehicle with a previous user.

Not all points listed will apply to every dealer, nor is the guidance intended to be exhaustive. It deals with problems in the second-hand car market, based upon the experience of enforcers, industry, consumer groups and other stakeholders.

This guidance is not a substitute for the law itself, nor does it replace the role of a court which is to provide a definitive interpretation of the law. However, the guidance is intended to help you to comply with the law and protect your business's reputation.

This guidance is also intended to be of use to enforcers and to consumer advisors in understanding what trading practices are likely to be prohibited.

There is other important legislation which may apply to you, which is not covered in this guidance.

For example, this guidance does not deal with business-to-business trade sales, which are covered by other legislation - for example, the Business Protection from Misleading Marketing Regulations 2008 (BPRs), which are essentially a business-to-business counterpart to the CPRs. Also, if you sell vehicles on finance, consumer credit legislation applies. The primary regulator of consumer credit, the [Financial Conduct Authority \(FCA\)](#), has information for sellers on its website.

Also, the Digital Markets, Competition and Consumers Bill is currently going through Parliament. When it becomes an Act, it may change the law as it applies to this guidance, particularly that related to the CPRs. This guidance does not take these possible changes into account.

What do I need to do?

It is important that you read and understand the guidance to make sure you are treating your customers properly.

What happens if I don't comply with the law?

If you do not comply with the law, you may face enforcement action by Trading Standards or other bodies*. This could ultimately result in court action and it would be for the courts to decide if legislation has been breached. You could also lose your customers, some of whom may have the right to take legal action against you.

[*Car dealers will usually deal with their local Trading Standards service, but other agencies also have a role - for example, the Competition and Markets Authority (CMA) and the FCA. See also, the CMA's [Consumer Protection: Enforcement Guidance](#).]

Where can I get further advice?

This guidance does not provide legal or other advice and, if in doubt as to your obligations, you are strongly recommended to obtain advice from your [local authority Trading Standards service](#) and/or seek independent legal advice.

The [Advertising Standards Authority \(ASA\)](#) publishes guidance on the application of its Advertising Codes.

> [Part 1. Consumer Protection from Unfair Trading Regulations](#)

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