

Selling goods via online platforms

In this section

[Introduction](#)

[Are you a trader and are you selling to consumers?](#)

[Legal requirements when selling online](#)

[Consumer cancellation rights](#)

[How do consumers cancel?](#)

[What If I haven't given cancellation rights?](#)

[Exemptions to the right to cancel](#)

[Misleading descriptions](#)

[Product safety](#)

[Food safety and standards](#)

[Resolving disputes](#)

[Mediation](#)

[Conciliation](#)

[Arbitration](#)

[Selling within the EU](#)

[Cancellation instructions and form](#)

[Right to cancel](#)

[Effects of cancellation](#)

[Pre-contractual information checklist](#)

[Trading Standards](#)

[In this update](#)

[Key legislation](#)

Introduction

The purpose of this short guide is to inform you of the UK rules when selling goods online. Whether you are selling goods via your own website or through a third party such as an internet auction, marketplace or social media, you need to understand the rights of your consumers and how to contract legally.

This guide will:

- define your obligations as a trader
- explain what information you have to provide
- explain what your consumers rights are with regard to cancellations and returns, including timeframes

The guide will also touch on product safety and the impact of the EU exit, however, more detailed guidance on this can be found in Business Companion's In-depth Guides.

Please note, different rules apply to contracts for the provision of services or digital products and are not

covered here.

Are you a trader and are you selling to consumers?

The first step is to establish whether you are selling online in a personal or business capacity.

Under UK legislation a trader is a person acting "for the purposes relating to his trade, business, craft or profession" or in the name of or on behalf of a trader. You do not have to have a limited company, you can be based at your home and can trade exclusively via a third-party online marketplace or social media platform and be a 'trader', equally just because you sell items online does not automatically make you a 'trader'.

Online platforms and marketplaces may have their own thresholds to determine when a seller should be classed as a business - for example, based upon volume of sales. However, such thresholds are often for the platform's administrative purposes, and are different from the legal definition of a business or trader.

The Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 (CCRs) define a consumer as a person who is buying goods for their own personal use "wholly or mainly" outside of their trade, business or profession. If you sell goods on an internet marketplace you are likely to be making them available to both consumers and businesses, and as such you will need to understand your consumers' rights.

If you are selling solely to businesses, where the item will be mainly used for business purposes, then parts of this guide may not apply. This guidance is aimed at business-to-consumer contracts.

If you have answered 'yes' to these questions, then this guide applies to your business.
"While this document applies to most goods sold online, there are specific exemptions to these rules, which are listed further in this guidance."

Legal requirements when selling online

"You are responsible for the goods until they reach the consumer or someone they have nominated to accept delivery on their behalf, this means you would be liable for non-delivery or any damages even if this is the fault of the courier."

With any sale, online or otherwise, consumers can expect goods to be of 'satisfactory quality', 'as described', 'fit for any purpose made known to the seller' and to comply with other trading standards laws such as those relating to product safety or unfair terms and commercial practices.

Legislation requires that certain pre-contractual information (PCI) must be provided to potential buyers before a contract is made. This is to ensure that consumers make an 'informed choice' before concluding a contract and to prevent disputes over the sale process and the nature of the items sold. You can comply by including the required information in, or clearly linked from, your item listings.

See 'Pre-contractual information checklist' below for the information you are required to give in all cases.

Failure to provide the above information is a breach of the law with immediate consequences (for example, if you do not inform consumers of their right to cancel, this right is automatically extended to up to one calendar year).

For further details, please see '[Consumer contracts: distance sales](#)'.

Please do not assume that by providing some of the above information during the sign-up process with a particular online platform that the relevant information will automatically be made available in the required format to customers using the platform.

It is important that you understand that using the infrastructure on an online marketplace does not automatically make your business legally compliant. They may offer customer service functions such as mechanisms for resolving disputes; however, you as the trader are responsible for ensuring you are legally compliant. If you are not compliant, not only may action be taken against you from enforcement agencies, or court action taken from your customers, the online marketplace may prevent you from using its platform in the future.

There are some exemptions to the application of these rules, which may be relevant in a certain number of limited circumstances. However, this guidance does not deal with such circumstances in detail due to their specialist nature. Details on exemptions are covered in '[Consumer contracts: distance sales](#)'.

Consumer cancellation rights

A consumer who has purchased your goods via an online platform has the right to cancel the contract and claim a refund without giving any reason or justification and without incurring any liability (unless exceptions apply) within 14 calendar days of receiving the goods.

This right gives the consumer the opportunity to examine the goods as they would be able to do in a retail store. Please note that the consumer does not have to pay for the return of the goods unless you have informed them that they have to bear that cost.

The 14-day cancellation period starts the day the goods are in the physical possession of the consumer (or when the last item in the order is in the consumers possession in the case of multiple goods). Weekends and public holidays are included in the 14 days. However, the cancellation period expires at the end of the following working day if the end of the 14 days falls on one of those days.

On receipt of the returned goods, or confirmation that they have been sent by the consumer, you must refund within 14 days, if it is found that the consumer handled the goods beyond what is necessary in order to establish their nature, characteristics and functioning (typically as they would be handled in a retail shop), and if this diminishes the value of the goods by any amount, you are entitled to claim that amount back from the consumer (but you may have to justify this).

Consumers can lose their right to cancel if:

- the consumer unseals certain goods after delivery where the seal is necessary for health protection or hygiene reasons - for example, make-up, or swimwear where the hygiene seal has been removed
- the consumer removes the seal on audio or video recordings, or computer software
- the goods become mixed inseparably with other goods - for example, paint additive being added to a consumer's pot of paint

How do consumers cancel?

As previously discussed, you need to inform the consumer about their right to cancel and how they can go about using it. To exercise the right to cancel, the consumer can notify you using a model cancellation form (if you have provided one) or by making any other clear statement of cancellation (whether or not in writing).

See 'Cancellation instructions and form' below.

What If I haven't given cancellation rights?

If you provide the required cancellation information late (but within 12 months from the consumer entering the contract), the cancellation period of 14 days starts when the consumer receives that information. If you do not provide the required cancellation information, the cancellation period ends at the end of 12 months after the day on which it would have ended if the information was provided according to the law.

Exemptions to the right to cancel

In the following cases the right to cancel does not apply:

- medical products, supplied by a prescriber or a healthcare professional or as part of the health service
- goods whose price depends on fluctuations in financial markets (for example, the value of foreign currency) and for the supply of alcoholic beverages when the price has been agreed, but their delivery can only take place after 30 days
- goods made to a consumer's specification (however this would not include goods where the component parts or extras are chosen from a standard list)
- personalised goods (for example a mug with a person's name painted on it or a tailor-made suit)
- perishable goods or goods that are likely to expire rapidly (such as flowers, or fresh fruit)
- newspapers, periodicals and magazines (except subscription contracts that can be cancelled)
- items sold at a public auction where there is an opportunity to attend in person (not an auction on an online marketplace such as eBay)
- contracts for accommodation, transport of goods, vehicle rental, catering or leisure services, if the contract is to be provided on a specified date or within a specified period

"The consumer does not have to pay for the return of the goods unless you have informed them that they have to bear that cost."

Misleading descriptions

You must be honest and truthful when describing your products. Marketing your product in a misleading way either by presenting them or describing them in a false manner, or omitting information that a consumer would need to make a decision, is a criminal offence.

Further information can be found in '[Protection from unfair trading](#)'.

Product safety

You must ensure that your products are safe. If you are manufacturing items, putting your brand name on them or importing them from outside the UK, you have a higher level of responsibility in ensuring that your products meet the UK legal safety requirements than if you are a retailer. This includes product-specific obligations that require products such as toys, cosmetics and electrical products to be tested to standards

to show compliance with the law. As well as the composition of the product there are labelling requirements which may include you putting your business identity and geographical address on the product and/or its packaging and applying the CE / UKCA mark. Further detailed information can be found via Business Companion's ['Product safety'](#) section.

Food safety and standards

If you are selling food products you must ensure that you are registered with your local Environmental Health department as a food business operator. You must also be aware of the food standards legislation regarding the composition and labelling of your products. Much of the food information found on the product label will have to be duplicated on your online description. More detailed information can be found in Business Companion's ['Food and drink'](#) section.

Resolving disputes

Sometimes things go wrong and issues arise between businesses and consumers. Online platforms will often have their own dispute resolution services to resolve issues between buyers and sellers. If not, or if the dispute is not successfully resolved by this means, court proceedings might be an option, but these could be costly and time-consuming.

To avoid the use of courts, 'alternative dispute resolution' (ADR) can be used to settle disputes arising between traders and consumers based in the UK. This involves the use of an ADR body which is impartial and offers a variety of methods of resolving consumer disputes, such as mediation, conciliation or arbitration. To gain access to ADR, traders can join either a trade association that offers an ADR scheme or an ADR body, although they do not have to do so.

Under the Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015, if you have exhausted your internal complaint procedure in relation to a complaint brought by a consumer, you must provide the consumer with all of the following information regarding ADR schemes on a durable medium:

- the name and website address of an ADR entity that could resolve the complaint
- whether or not you intend to use ADR. However, if you are required by law or membership to a trade association to use ADR, then you must agree to do so

The online marketplace may provide a specific facility for you to provide this information on the website platform. Where there is no specific place for the information, you should provide the information clearly where the consumer can find it - for example, in product listings or your seller page.

Further information can be found in ['Alternative dispute resolution'](#).

"To avoid the use of courts, alternative dispute resolution (ADR) can be used to settle disputes arising between traders and consumers."

Mediation

Mediation is a process whereby an independent third party helps the parties in dispute come to a mutually acceptable outcome.

Conciliation

Conciliation is a process whereby the parties use a conciliator who meets with the parties, both separately and together, in an attempt to resolve their differences.

Arbitration

Arbitration is a process where the outcome is decided upon by a third party. Parties agreeing to arbitration usually agree to the decision being binding and therefore enforceable through the courts.

Selling within the EU

If you offer your goods online to buyers outside the UK, you must still comply with the legal requirements provided in this guidance. This is because even though the UK left the EU the majority of consumer law has remained and is harmonised across Europe. So, for example, the online sales laws require businesses in other EU countries to provide the same level of protection and rights to consumers as sellers do in the UK.

The EU E-Commerce Directive does not apply in the UK after EU Exit. This means that UK businesses will no longer benefit from provisions which allowed businesses who were complying with UK laws to trade across the EU. Now if you are selling to EU consumers you will need to comply with the individual laws of the country you are selling to; therefore you must keep updated with these as well as the Electronic Commerce (EC Directive) Regulations 2002, which remain in force for the UK only. EU wide geo-blocking rules will also still apply to businesses selling to EU countries, which means you cannot discriminate against consumers or offer different terms dependent on their Member State.

Since 1 July 2021, there have been new rules in place regarding VAT registration and payment. Online sellers, including online marketplaces / platforms, can register in one EU Member State and this will be valid for the declaration and payment of VAT on all distance sales of goods and cross-border supplies of services to customers within the EU, over the threshold of 10,000 Euro. This is called the Imports One-Stop Shop and information about the scheme can be found at: [VAT e-commerce \(europa.eu\)](https://europa.eu/vat-e-commerce).

If you are using an online marketplace, they will be the "deemed supplier" and should register on your behalf, add the applicable VAT rate to your sales and submit returns. You should look at the marketplaces' information on VAT, for example: ['Your VAT obligations in the UK and EU | eBay'](#).

If you are selling goods to EU Member States which are stored and sent from the UK you will need to register, charge and make declarations regarding VAT for that Member State. This applies if you are using your own website to sell goods. This can be done through the EU Imports One-Stop Shop.

- if you sell goods online to UK consumers (through an online marketplace or your own website), normal VAT thresholds (£85,000 turnover) apply and you must register with HMRC. Further details can be found here: ['VAT registration'](#)
- if you sell goods online from the UK to NI, the rules will depend on the product. Further guidance can be found on ['Trading and moving goods in and out of Northern Ireland'](#)

Cancellation instructions and form

You can supply the below suggested cancellation instructions, but you don't have to.

You must supply the model cancellation form to consumers

Right to cancel

You have the right to cancel this contract within 14 days without giving any reason.

The cancellation period will expire after 14 days from the day. [see Note 1]

To exercise the right to cancel, you must inform us [See Note 2] of your decision to cancel this contract by a clear statement (for example, a letter sent by post, fax or email). You may use the attached model cancellation form, but it is not obligatory. [See Note 3]

To meet the cancellation deadline, it is sufficient for you to send your communication concerning your exercise of the right to cancel before the cancellation period has expired.

Effects of cancellation

If you cancel this contract, we will reimburse to you all payments received from you, including the costs of delivery (except for the supplementary costs arising if you chose a type of delivery other than the least expensive type of standard delivery offered by us).

We may make a deduction from the reimbursement for loss in value of any goods supplied, if the loss is the result of unnecessary handling by you. We will make the reimbursement without undue delay, and not later than any of the following:

- (a) 14 days after the day we receive back from you any goods supplied
- (b) (if earlier) 14 days after the day you provide evidence that you have returned the goods
- (c) if there were no goods supplied, 14 days after the day on which we are informed about your decision to cancel this contract

We will make the reimbursement using the same means of payment as you used for the initial transaction, unless you have expressly agreed otherwise; in any event, you will not incur any fees as a result of the reimbursement.

[See Note 4]

[See Note 5]

[See Note 6]

Notes on instructions for completion:

1. Insert one of the following texts between inverted commas:

a) in the case of a service contract or a contract for the supply of digital content which is not supplied on a tangible medium: "of the conclusion of the contract"

b) in the case of a sales contract: "on which you acquire, or a third party other than the carrier and indicated by you acquires, physical possession of the goods."

c) in the case of a contract relating to multiple goods ordered by the consumer in one order and delivered separately: "on which you acquire, or a third party other than the carrier and indicated by you acquires, physical possession of the last good."

d) in the case of a contract relating to delivery of a good consisting of multiple lots or pieces: "on which you acquire, or a third party other than the carrier and indicated by you acquires, physical possession of the last lot or piece."

e) in the case of a contract for regular delivery of goods during a defined period of time: "on which you acquire, or a third party other than the carrier and indicated by you acquires, physical possession of the first good."

2. Insert your name, geographical address and, where available, your telephone number, fax number and email address.

3. If you give the option to the consumer to electronically fill in and submit information about the consumer's cancellation from the contract on your website, insert the following: "You can also electronically fill in and submit the model cancellation form or any other clear statement on our website [insert Internet address]. If you use this option, we will communicate to you an acknowledgement of receipt of such a cancellation on a durable medium (for example, by email) without delay."

4. In the case of sales contracts in which you have not offered to collect the goods in the event of cancellation insert the following: "We may withhold reimbursement until we have received the goods back or you have supplied evidence of having sent back the goods, whichever is the earliest."

5. If the consumer has received goods in connection with the contract

a) Insert:

- "We will collect the goods."; or,

- "You shall send back the goods or hand them over to us or . [insert the name and geographical address, where applicable, of the person authorised by you to receive the goods], without undue delay and in any event not later than 14 days from the day on which you communicate your cancellation from this contract to us. The deadline is met if you send back the goods before the period of 14 days has expired."

b) Insert:

- "We will bear the cost of returning the goods" or

- "You will have to bear the direct cost of returning the goods

- If, in a distance contract, you do not offer to bear the cost of returning the goods and the goods, by their nature, cannot normally be returned by post: "You will have to bear the direct cost of returning the goods, £/EUR [insert the amount]."; or if the cost of returning the goods cannot reasonably be calculated in advance: "You will have to bear the direct cost of returning the goods. The cost is estimated at a maximum of approximately £/EUR [insert the amount]."; or

- If, in an off-premises contract, the goods, by their nature, cannot normally be returned by post and have been delivered to the consumer's home at the time of the conclusion of the contract: "We will collect the goods at our own expense."; and,

c) Insert:

"You are only liable for any diminished value of the goods resulting from the handling other than what is necessary to establish the nature, characteristics and functioning of the goods."

6. In the case of a service contract insert the following: "If you requested to begin the performance of services during the cancellation period, you shall pay us an amount which is in proportion to what has been performed until you have communicated us your cancellation from this contract, in comparison with the full coverage of the contract".

Pre-contractual information checklist

You must ensure that all of the information included in the checklist below is provided clearly to consumers before they make a purchase:

Your identity. The legal name of the business (your name, Ltd company, partnership).

The main characteristics of the goods. You must give as much information as the means of communication allows. NB: Some products have specific labelling requirements which must be reproduced in online descriptions.

The geographical address where you are established and, where applicable, a telephone number and/or fax number to allow consumers to be able to contact you quickly and efficiently. If you have a different address for consumer complaints this should be given in addition to your geographical address. If you trade from home, but do not want to publicise this address you can use a PO Box, accountant or other virtual address provider.

Online sellers must provide an email address (an online contact form is not sufficient); if you are acting on behalf of another trader, their identity and geographical address; if applicable, your VAT number.

The total price of the goods inclusive of tax (such as VAT). If this cannot be calculated in advance you must say how this will be calculated.

All delivery charges or any other costs; if these cannot be calculated in advance you must state that they are payable and provide information on how they will be calculated. **Note:** remember you cannot charge additional fees for use of credit cards or other payment facilities.

The monthly, or billing period, costs of open-ended contracts or subscriptions - for example, monthly membership fees.

Any additional costs for using a specific means of distance communication to make the contract - for example, if you make an extra charge for buying by phone as opposed to online. If relevant, information about any deposit or similar to be paid by the consumer.

The arrangements for payment or delivery and the time that you will take to deliver the goods.

The duration of the contract and, if undetermined or automatically extended, how to terminate the contract and also the minimum duration of the contract if applicable.

If you have one, your complaint-handling policy, aftersales assistance and service, and any commercial guarantees - for example, an electrical appliance may come with an eight-year commercial guarantee for certain parts, which is above the legal minimum.

The conditions, time limits and procedure for exercising a right to cancel (providing the product is not exempt from cancellation) See Model Cancellation Instructions and Form (page 14 onwards).

Where there is no right to cancel, or, where that right can be lost under certain circumstances, the details of such circumstances, for example goods that are sealed for hygiene reasons.

If you are expecting consumers to pay the costs of returning the goods after cancellation you must tell them, or if the goods cannot normally be returned by post (they are too large, for example) you must advise consumers of the cost of returning them.

A reminder of the consumer's legal right to expect goods that are in conformity with the contract, which is to say of satisfactory quality, fit for purpose and as described.

Information about any applicable code of conduct and alternative dispute resolution mechanism - for example, if you are part of a trade association or a 'good trader' scheme then this should be disclosed to the consumer.

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

This guidance, which previously existed independently, now forms part of the new 'Guidance for online business' section. It is in the process of being reviewed.

Key legislation

- [General Product Safety Regulations 2005](#)
- [Consumer Protection from Unfair Trading Regulations 2008](#)
- [Consumer Contracts \(Information, Cancellation and Additional Charges\) Regulations 2013](#)
- [Alternative Dispute Resolution for Consumer Disputes \(Competent Authorities and Information\) Regulations 2015](#)
- [Consumer Rights Act 2015](#)
- [Regulation \(EU\) 2018/302](#) on addressing unjustified geo-blocking and other forms of discrimination based on customers' nationality, place of residence or place of establishment within the internal market

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 may only show the original version of the legislation, although some amending legislation is linked to separately where it is directly related to the content of a guide. Information on changes to legislation can be found by following the above links and clicking on the 'More Resources' tab.

Source URL:

<https://www.businesscompanion.info/focus/guidance-for-online-businesses/selling-goods-via-online-platforms>