

# Sales of goods act 1979

Law



Under the Sales of Goods Act 1979 a company has to follow rules and regulations by law; this gives customers certain legal rights such as the right to return an item that may be faulty, if they want a refund or if they want to exchange the item for something else. Companies have to abide by the rules and regulations of this law; for example if Tesco were to sell a product that was not of satisfactory quality and not as described this would affect their company as they may face a penalty and/or loose customers.

## **The Consumer Protection from Unfair Trading Regulations 2008**

Some companies use misleading methods of advertisement and sales tactics to increase their sales of their products and/or services; therefore the law and rules for consumer protection from unfair trading regulations were implemented to stop companies from using misleading/unethical ways of advertisement. The law protects consumers from unfair trading practices, such as:

- Pressure selling.
- Misleading product offers.
- False limited offer notices.
- Aggressive sales tactics

This law affects companies as they cannot use misleading ways of advertisement; for example if Tesco used unethical ways of advertising to mislead customers into buying a product of theirs it would be illegal with consequences such as penalties or getting a bad name for their company.

## **Consumer Credit Acts 1974 and 2006**

The Consumer Credit Acts 1974 and 2006 gives consumers protection when purchasing goods and/or services on credit. If there is an error in the agreement during such purchases consumers will be able to seek legal help. Error during the sale of good and/or services can be prevented; the sales person by law must provide all the important information relating to the sale in order to prevent errors or the company can lose their license through the Office of Fair Trading.

This law affects companies such as Tesco as they have to disclose all important information relating to the sale of goods and/or services they offer and cannot leave out anything during the sale of the goods and/or services - failure to do so may result in them losing their license through the Office of Fair Trading.

## **Consumer Protection (Distance Selling) Regulations**

This act was implemented in order to protect consumers that purchase goods and/or services over the internet such as; VPN's, file storage, merchandise and so on; when a consumer purchases such products or services it can be through the following ways:

- Email
- Fax
- Telephone
- Internet shopping
- Mail order.

This law also protects consumers when getting into a contract with a distance company as they may not get what is expected of the company; customers were given such protection due to not being able to meet with or speak to the supplier/company face-to-face and being unable to see the goods they may be buying. This law affects companies that make long distance selling as they have to be very specific about goods and services they offer or the consumer could claim under the Consumer Protection Regulations for providing wrong or not 'described as' goods or services which could cost the company by having to make calls, courier charges to return and refund a customer or legal fees.

For example if a company that sells their products online such as ASOS clothing were to show an image of how their product looks and when someone purchases it and it arrives but is different they will have to accept the items return by law if the customer request to return it as it was not as described - this affects ASOS as they have to pay courier charges to accept the returns and then refund the customer so it also becomes time consuming.

## **Data Protection Act 1998**

The Data Protection Act 1998 is a law designed to protect the personal information of people and also to give people the right to know about information stored about them, however some organisations CAN withhold information and doesn't have to disclose their reason if it is about :

- The prevention, detection or investigation of a crime.
- National security or the armed forces.
- The assessment or collection of tax.

- Judicial or ministerial appointments.

The act controls how personal information about people is used by the government, organisations and businesses. The law does not just apply to government, organisations and businesses; everyone who is responsible for the collection of personal data has to make sure it is:

- Used fairly and lawfully.
- Used for limited, specifically stated purposes.
- Used in a way that is adequate, relevant and not excessive.
- Kept for no longer than is absolutely necessary.
- Handled according to people's data protection rights.
- Kept safe and secure.
- Not transferred outside the UK without adequate protection.

However more protection must be used on information such as:

- The ethnic background of an individual.
- The religious beliefs of an individual.
- The health of an individual.
- The criminal records of an individual.

This would affect a company such as Tesco as they cannot just share information about their customers without their permission, which they would need to first obtain so this could become time consuming and cost the Tesco to contact each one of their customers to seek permission to share their information with their partners possibly.

The ASA is the United Kingdom's regulator across all advertisement throughout the United Kingdom, however they are a non-statutory

organisation and they cannot enforce law on advertisements but their code of advertising practice usually is in line with legislation. The main objective of the ASA is to make sure all advertisements are legal, decent (not explicit) and truthful by implementing their code of advertising practice for companies that make adverts to display their products and services - eg a company cannot make a broadband advert saying you will get this speed when you actually won't as that would be misleading to consumers.

This affects companies such as BT broadband in multiple ways as they cannot just make adverts where they say this is what you're going to get without being able to back up their advert with evidence or inform consumers that for example speeds may differ depending on areas when advertising broadband.

For example if a company such as BT broadband were to make an misleading advertisement about their broadband and it was misleading as it didn't match their description provided, they would lose customers and also get a bad reputation with people and the ASA. Pressure groups are known as an 'interest groups' or lobby and are an organised group of like-minded individuals that seek to influence government legislation and public policy regarding concerns and priorities they may have; this could be :

- To promote an interest.
- To voice consumer concerns.
- To push for broad policies - e. g. environmental protection.

This can affect companies, public policy and government as pressure groups are able to put immense pressure on them if they aren't happy with their

policies, legislations or for a company the way they operate or even treat their customers/staff and so on. Therefore, companies and governments could come under immense pressure to make changes if a pressure group believes there should be changes. For example when Tesco misled customers into buying horse meat which they told their customers was chicken, it led to pressure groups telling people to shop somewhere else instead - this would affect Tesco as they would be losing customers.

### **Acceptable Language**

In companies all staff should use appropriate language no matter what their audience may be, this could be when making a commercial for T. V, speaking to customers or colleagues; appropriate language could be by avoiding slang when speaking. Avoiding biased or derogatory comments - e. g. jokes or comments that perpetuate negative stereotypes as this could be found offensive. Being polite - being polite in business is very important as it can build up better relationships between co-workers, colleagues and customers which will be good for business.

Failure to use appropriate language in advertisements or by colleagues may reflect against the company giving it a bad image/name and also could create a loss of customers or even the possibility of fines if they offend anyone. For example if Tesco made a T. V commercial that had foul language it would affect their business as it would be unprofessional of them and lead to them getting a bad name for their business; it could also cause them to lose customers as some may find an advert with foul language offensive.