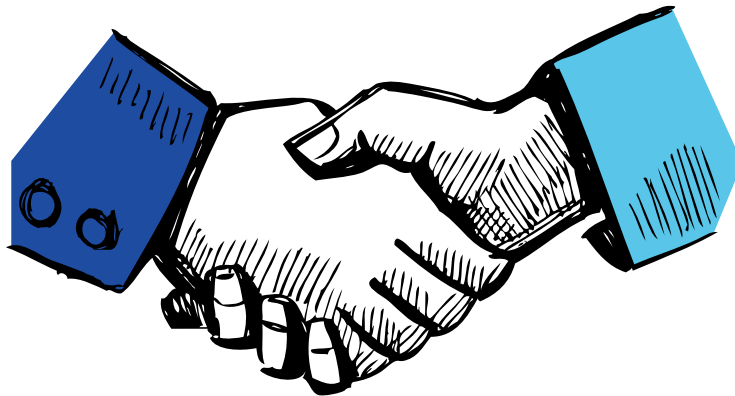


FAIR TERMS FOR YOUR CUSTOMERS

AN INTRODUCTORY GUIDE FOR BUSINESSES



If you're a **business** that deals with **consumers**, then you need to make sure your terms are fair. The Consumer Rights Act 2015 aims to protect consumers against unfair contract terms and notices.



For the purpose of these short 'at-a-glance guides' we often use the word '**you**' to refer to the business and '**customer**' to mean consumer.



- **Contracts help protect you** - they build your relationship with your customer so they trust you to do business with them fairly.
- Contracts can **only protect you if your terms are fair**. If a term is not fair, it won't be legally binding on your customer.
- Your customer should be able to **easily understand** what they are signing up to.
- A term may be in a document that your customer signs or in a brochure, a poster, a sign by a cash register or **even what a salesperson might say** to a customer before they buy.

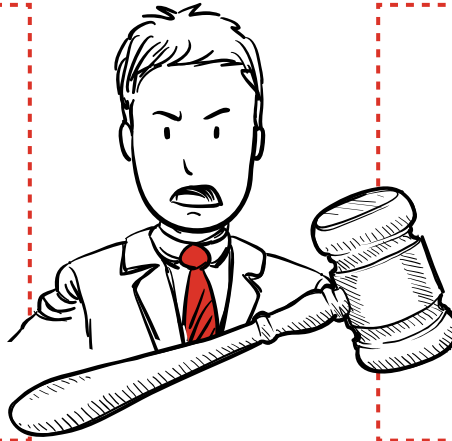
A consumer notice is wording that may not form part of your contract but which relates to the same kinds of issues that would be dealt with in a contract – for instance the rights or obligations between you and your customer. Notices are often used in shops and car parks as well as online. You need to be particularly careful if the wording could appear to exclude or restrict your liability.

**CONSUMER
NOTICE**

**AN UNFAIR TERM IS NOT LEGALLY BINDING
ON YOUR CUSTOMER. ENFORCERS CAN ALSO
TAKE ACTION TO STOP YOU USING IT.**

WHAT IS "UNFAIR" ?

Generally, contract terms and notices are unfair if they put the customer at an unfair disadvantage. The law applies a "fairness test" that starts by importantly asking whether the wording used tilts the rights and responsibilities between the customer and the trader too much in favour of the trader.



The test is applied by looking at the words and how they could be used. It takes into consideration what is being sold, how a term relates to other terms in the contract and all the circumstances at the time the term was agreed.

Some of your terms may be exempt from the "fairness test" – namely, those describing the main subject matter and setting the price, provided these are clear and prominent. There is also an exemption for wording covered by law or rules, for example words that legally have to be used.

Certain terms and notices are '**blacklisted**' by legislation as unsuitable for use with consumers in any circumstances. These terms can be challenged on that basis, without needing to prove that they fail the "fairness test".

Our individual '**at-a-glance**' guides provide a starting point for understanding some of the common types of terms where unfairness can arise. They cover the following areas:



Deposits, advance payments & cancellations



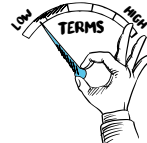
Excessive charges & financial sanctions



Cancelling a contract – when and how



Responsibility if things go wrong



Changing the terms of a contract

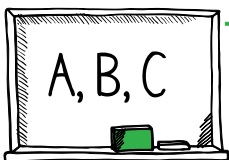


Subscriptions & automatic rollover



Other terms that can be unfair

ALL TERMS MUST BE:



PLAIN & INTELLIGIBLE

All contract terms and notices must be transparent. Not only must you use easy-to-understand, legible and plain English but wording used must allow your customers to make informed choices.

UP-FRONT AND OPEN



It's important to be up-front about important terms that could have a significant impact on your customers. Take extra steps to bring these types of terms to their attention.

WANT TO KNOW MORE

Individual guides – see our guides on common contract terms that may be unfair.

Top Tips – for writing your contract terms.