

Supply of Goods and Services Act 1982

Chapter 29

Part I

Supply of Goods

Contracts for the transfer of property in goods

1 The contracts concerned

- (1) In this Act a “contract for the transfer of goods” means a contract under which one person transfers or agrees to transfer to another the property in goods, other than an excepted contract.
- (2) For the purposes of this section an excepted contract means any of the following—
 - (a) a contract of sale of goods;
 - (b) a hire-purchase agreement;
 - (d) a transfer or agreement to transfer which is made by deed and for which there is no consideration other than the presumed consideration imported by the deed;
 - (e) a contract intended to operate by way of mortgage, pledge, charge or other security.
- (3) For the purposes of this Act a contract is a contract for the transfer of goods whether or not services are also provided or to be provided under the contract, and (subject to subsection (2) above) whatever is the nature of the consideration for the transfer or agreement to transfer.

2 Implied terms about title, etc

- (1) In a contract for the transfer of goods, other than one to which subsection (3) below applies, there is an implied condition on the part of the transferor that in the case of a transfer of the property in the goods he has a right to transfer the property and in the case of an agreement to transfer the property in the goods he will have such a right at the time when the property is to be transferred.
- (2) In a contract for the transfer of goods, other than one to which subsection (3) below applies, there is also an implied warranty that—
 - (a) the goods are free, and will remain free until the time when the property is to be transferred, from any charge or encumbrance not disclosed or known to the transferee before the contract is made; and
 - (b) the transferee will enjoy quiet possession of the goods except so far as it

may be disturbed by the owner or other person entitled to the benefit of any charge or encumbrance so disclosed or known.

- (3) This subsection applies to a contract for the transfer of goods in the case of which there appears from the contract or is to be inferred from its circumstances an intention that the transferor should transfer only such title as he or a third person may have.
- (4) In a contract to which subsection (3) above applies there is an implied warranty that all charges or encumbrances known to the transferor and not known to the transferee have been disclosed to the transferee before the contract is made.
- (5) In a contract to which subsection (3) above applies there is also an implied warranty that none of the following will disturb the transferee's quiet possession of the goods, namely—
 - (a) the transferor;
 - (b) in a case where the parties to the contract intend that the transferor should transfer only such title as a third person may have, that person;
 - (c) anyone claiming through or under the transferor or that third person otherwise than under a charge or encumbrance disclosed or known to the transferee before the contract is made.

3 Implied terms where transfer is by description

- (1) This section applies where, under a contract for the transfer of goods, the transferor transfers or agrees to transfer the property in the goods by description.
- (2) In such a case there is an implied condition that the goods will correspond with the description.
- (3) If the transferor transfers or agrees to transfer the property in the goods by sample as well as by description it is not sufficient that the bulk of the goods corresponds with the sample if the goods do not also correspond with the description.
- (4) A contract is not prevented from falling within subsection (1) above by reason only that, being exposed for supply, the goods are selected by the transferee.

4 Implied terms about quality or fitness

- (1) Except as provided by this section and section 5 below and subject to the provisions of any other enactment, there is no implied condition or warranty about the quality or fitness for any particular purpose of goods supplied under a contract for the transfer of goods.
- (2) Where, under such a contract, the transferor transfers the property in goods in the course of a business, there is an implied condition that the goods supplied under the contract are of satisfactory quality.

- (2A) For the purposes of this section and section 5 below, goods are of satisfactory quality if they meet the standard that a reasonable person would regard as satisfactory, taking account of any description of the goods, the price (if relevant) and all the other relevant circumstances.
- (2B) If the transferee deals as consumer, the relevant circumstances mentioned in subsection (2A) above include any public statements on the specific characteristics of the goods made about them by the transferor, the producer or his representative, particularly in advertising or on labelling.
- (2C) A public statement is not by virtue of subsection (2B) above a relevant circumstance for the purposes of subsection (2A) above in the case of a contract for the transfer of goods, if the transferor shows that—
- (a) at the time the contract was made, he was not, and could not reasonably have been, aware of the statement;
 - (b) before the contract was made, the statement had been withdrawn in public or, to the extent that it contained anything which was incorrect or misleading, it had been corrected in public; or
 - (c) the decision to acquire the goods could not have been influenced by the statement.
- (2D) Subsections (2B) and (2C) above do not prevent any public statement from being a relevant circumstance for the purposes of subsection (2A) above (whether or not the transferee deals as consumer) if the statement would have been such a circumstance apart from those subsections.
- (3) The condition implied by subsection (2) above does not extend to any matter making the quality of goods unsatisfactory—
- (a) which is specifically drawn to the transferee's attention before the contract is made;
 - (b) where the transferee examines the goods before the contract is made, which that examination ought to reveal; or
 - (c) where the property in the goods is transferred by reference to a sample, which would have been apparent on a reasonable examination of the sample.
- (4) Subsection (5) below applies where, under a contract for the transfer of goods, the transferor transfers the property in goods in the course of a business and the transferee, expressly or by implication, makes known—
- (a) to the transferor; or
 - (b) where the consideration or part of the consideration for the transfer is a sum payable by instalments and the goods were previously sold by a credit-broker to the transferor, to that credit-broker,

any particular purpose for which the goods are being acquired.

- (5) In that case there is (subject to subsection (6) below) an implied condition that the goods supplied under the contract are reasonably fit for that purpose, whether or not that is a purpose for which such goods are commonly supplied.
- (6) Subsection (5) above does not apply where the circumstances show that the transferee does not rely, or that it is unreasonable for him to rely, on the skill or judgment of the transferor or credit-broker.
- (7) An implied condition or warranty about quality or fitness for a particular purpose may be annexed by usage to a contract for the transfer of goods.
- (8) The preceding provisions of this section apply to a transfer by a person who in the course of a business is acting as agent for another as they apply to a transfer by a principal in the course of a business, except where that other is not transferring in the course of a business and either the transferee knows that fact or reasonable steps are taken to bring it to the transferee's notice before the contract concerned is made.

5 Implied terms where transfer is by sample

- (1) This section applies where, under a contract for the transfer of goods, the transferor transfers or agrees to transfer the property in the goods by reference to a sample.
- (2) In such a case there is an implied condition—
 - (a) that the bulk will correspond with the sample in quality; and
 - (b) that the transferee will have a reasonable opportunity of comparing the bulk with the sample; and
 - (c) that the goods will be free from any defect, making their quality unsatisfactory, which would not be apparent on reasonable examination of the sample.
- (4) For the purposes of this section a transferor transfers or agrees to transfer the property in goods by reference to a sample where there is an express or implied term to that effect in the contract concerned.

5A Modification of remedies for breach of statutory condition in non-consumer cases

- (1) Where in the case of a contract for the transfer of goods—
 - (a) the transferee would, apart from this subsection, have the right to treat the contract as repudiated by reason of a breach on the part of the transferor of a term implied by section 3, 4 or 5(2)(a) or (c) above, but
 - (b) the breach is so slight that it would be unreasonable for him to do so,then, if the transferee does not deal as consumer, the breach is not to be treated

as a breach of condition but may be treated as a breach of warranty.

- (2) This section applies unless a contrary intention appears in, or is to be implied from, the contract.
- (3) It is for the transferor to show that a breach fell within subsection (1)(b) above.

Contracts for the hire of goods

6 The contracts concerned

- (1) In this Act a “contract for the hire of goods” means a contract under which one person bails or agrees to bail goods to another by way of hire, other than a hire-purchase agreement.
- (3) For the purposes of this Act a contract is a contract for the hire of goods whether or not services are also provided or to be provided under the contract, and whatever is the nature of the consideration for the bailment or agreement to bail by way of hire.

7 Implied terms about right to transfer possession, etc

- (1) In a contract for the hire of goods there is an implied condition on the part of the bailor that in the case of a bailment he has a right to transfer possession of the goods by way of hire for the period of the bailment and in the case of an agreement to bail he will have such a right at the time of the bailment.
- (2) In a contract for the hire of goods there is also an implied warranty that the bailee will enjoy quiet possession of the goods for the period of the bailment except so far as the possession may be disturbed by the owner or other person entitled to the benefit of any charge or encumbrance disclosed or known to the bailee before the contract is made.
- (3) The preceding provisions of this section do not affect the right of the bailor to repossess the goods under an express or implied term of the contract.

8 Implied terms where hire is by description

- (1) This section applies where, under a contract for the hire of goods, the bailor bails or agrees to bail the goods by description.
- (2) In such a case there is an implied condition that the goods will correspond with the description.
- (3) If under the contract the bailor bails or agrees to bail the goods by reference to a sample as well as a description it is not sufficient that the bulk of the goods corresponds with the sample if the goods do not also correspond with the description.
- (4) A contract is not prevented from falling within subsection (1) above by reason only that, being exposed for supply, the goods are selected by the bailee.

9 Implied terms about quality or fitness

- (1) Except as provided by this section and section 10 below and subject to the provisions of any other enactment, there is no implied condition or warranty about the quality or fitness for any particular purpose of goods bailed under a contract for the hire of goods.
- (2) Where, under such a contract, the bailor bails goods in the course of a business, there is an implied condition that the goods supplied under the contract are of satisfactory quality.
 - (2A) For the purposes of this section and section 10 below, goods are of satisfactory quality if they meet the standard that a reasonable person would regard as satisfactory, taking account of any description of the goods, the consideration for the bailment (if relevant) and all the other relevant circumstances.
 - (2B) If the bailee deals as consumer, the relevant circumstances mentioned in subsection (2A) above include any public statements on the specific characteristics of the goods made about them by the bailor, the producer or his representative, particularly in advertising or on labelling.
 - (2C) A public statement is not by virtue of subsection (2B) above a relevant circumstance for the purposes of subsection (2A) above in the case of a contract for the hire of goods, if the bailor shows that—
 - (a) at the time the contract was made, he was not, and could not reasonably have been, aware of the statement;
 - (b) before the contract was made, the statement had been withdrawn in public or, to the extent that it contained anything which was incorrect or misleading, it had been corrected in public; or
 - (c) the decision to acquire the goods could not have been influenced by the statement.
 - (2D) Subsections (2B) and (2C) above do not prevent any public statement from being a relevant circumstance for the purposes of subsection (2A) above (whether or not the bailee deals as consumer) if the statement would have been such a circumstance apart from those subsections.
- (3) The condition implied by subsection (2) above does not extend to any matter making the quality of goods unsatisfactory—
 - (a) which is specifically drawn to the bailee's attention before the contract is made;
 - (b) where the bailee examines the goods before the contract is made, which that examination ought to reveal; or
 - (c) where the goods are bailed by reference to a sample, which would have been apparent on a reasonable examination of the sample.
- (4) Subsection (5) below applies where, under a contract for the hire of goods, the

bailor bails goods in the course of a business and the bailee, expressly or by implication, makes known—

- (a) to the bailor in the course of negotiations conducted by him in relation to the making of the contract; or
- (b) to a credit-broker in the course of negotiations conducted by that broker in relation to goods sold by him to the bailor before forming the subject matter of the contract,

any particular purpose for which the goods are being bailed.

- (5) In that case there is (subject to subsection (6) below) an implied condition that the goods supplied under the contract are reasonably fit for that purpose, whether or not that is a purpose for which such goods are commonly supplied.
- (6) Subsection (5) above does not apply where the circumstances show that the bailee does not rely, or that it is unreasonable for him to rely, on the skill or judgment of the bailor or credit- broker.
- (7) An implied condition or warranty about quality or fitness for a particular purpose may be annexed by usage to a contract for the hire of goods.
- (8) The preceding provisions of this section apply to a bailment by a person who in the course of a business is acting as agent for another as they apply to a bailment by a principal in the course of a business, except where that other is not bailing in the course of a business and either the bailee knows that fact or reasonable steps are taken to bring it to the bailee's notice before the contract concerned is made.

10 Implied terms where hire is by sample

- (1) This section applies where, under a contract for the hire of goods, the bailor bails or agrees to bail the goods by reference to a sample.
- (2) In such a case there is an implied condition—
 - (a) that the bulk will correspond with the sample in quality; and
 - (b) that the bailee will have a reasonable opportunity of comparing the bulk with the sample; and
 - (c) that the goods will be free from any defect, making their quality unsatisfactory, which would not be apparent on reasonable examination of the sample.
- (4) For the purposes of this section a bailor bails or agrees to bail goods by reference to a sample where there is an express or implied term to that effect in the contract concerned.

10A Modification of remedies for breach of statutory condition in non-consumer cases

- (1) Where in the case of a contract for the hire of goods—
 - (a) the bailee would, apart from this subsection, have the right to treat the contract as repudiated by reason of a breach on the part of the bailor of a term implied by section 8, 9 or 10(2)(a) or (c) above; but
 - (b) the breach is so slight that it would be unreasonable for him to do so, then, if the bailee does not deal as consumer, the breach is not to be treated as a breach of condition but may be treated as a breach of warranty.
- (2) This section applies unless a contrary intention appears in, or is to be implied from, the contract.
- (3) It is for the bailor to show that a breach fell within subsection (1)(b) above.

Exclusion of implied terms, etc

11 Exclusion of implied terms, etc

- (1) Where a right, duty or liability would arise under a contract for the transfer of goods or a contract for the hire of goods by implication of law, it may (subject to subsection (2) below and the 1977 Act) be negated or varied by express agreement, or by the course of dealing between the parties, or by such usage as binds both parties to the contract.
- (2) An express condition or warranty does not negative a condition or warranty implied by the preceding provisions of this Act unless inconsistent with it.
- (3) Nothing in the preceding provisions of this Act prejudices the operation of any other enactment or any rule of law whereby any condition or warranty (other than one relating to quality or fitness) is to be implied in a contract for the transfer of goods or a contract for the hire of goods.

Part 1B

Additional Rights of Transferee in Consumer Cases

11M Introductory

- (1) This section applies if—
 - (a) the transferee deals as consumer; and
 - (b) the goods do not conform to the contract for the transfer of goods at the time of delivery.

- (2) If this section applies, the transferee has the right—
 - (a) under and in accordance with section 11N below, to require the transferor to repair or replace the goods; or
 - (b) under and in accordance with section 11P below—
 - (i) to require the transferor to reduce the amount to be paid for the transfer by the transferee by an appropriate amount; or
 - (ii) to rescind the contract with regard to the goods in question.
- (3) For the purposes of subsection (1)(b) above, goods which do not conform to the contract for the transfer of goods at any time within the period of six months starting with the date on which the goods were delivered to the transferee must be taken not to have so conformed at that date.
- (4) Subsection (3) above does not apply if—
 - (a) it is established that the goods did so conform at that date;
 - (b) its application is incompatible with the nature of the goods or the nature of the lack of conformity.

11N Repair or replacement of the goods

- (1) If section 11M above applies, the transferee may require the transferor—
 - (a) to repair the goods; or
 - (b) to replace the goods.
- (2) If the transferee requires the transferor to repair or replace the goods, the transferor must—
 - (a) repair or, as the case may be, replace the goods within a reasonable time but without causing significant inconvenience to the transferee;
 - (b) bear any necessary costs incurred in doing so (including in particular the cost of any labour, materials or postage).
- (3) The transferee must not require the transferor to repair or, as the case may be, replace the goods if that remedy is—
 - (a) impossible;
 - (b) disproportionate in comparison to the other of those remedies; or
 - (c) disproportionate in comparison to an appropriate reduction in the purchase price under paragraph (a), or rescission under paragraph (b), of section 11P(1) below.
- (4) One remedy is disproportionate in comparison to the other if the one imposes costs on the transferor which, in comparison to those imposed on him by the

other, are unreasonable, taking into account—

- (a) the value which the goods would have if they conformed to the contract for the transfer of goods;
 - (b) the significance of the lack of conformity to the contract for the transfer of goods; and
 - (c) whether the other remedy could be effected without significant inconvenience to the transferee.
- (5) Any question as to what is a reasonable time or significant inconvenience is to be determined by reference to—
- (a) the nature of the goods; and
 - (b) the purpose for which the goods were acquired.

11P Reduction of purchase price or rescission of contract

- (1) If section 11M above applies, the transferee may—
- (a) require the transferor to reduce the purchase price of the goods in question to the transferee by an appropriate amount; or
 - (b) rescind the contract with regard to those goods, if the condition in subsection (2) below is satisfied.
- (2) The condition is that—
- (a) by virtue of section 11N(3) above the transferee may require neither repair nor replacement of the goods; or
 - (b) the transferee has required the transferor to repair or replace the goods, but the transferor is in breach of the requirement of section 11N(2)(a) above to do so within a reasonable time and without significant inconvenience to the transferee.
- (3) If the transferee rescinds the contract, any reimbursement to the transferee may be reduced to take account of the use he has had of the goods since they were delivered to him.

11Q Relation to other remedies etc

- (1) If the transferee requires the transferor to repair or replace the goods the transferee must not act under subsection (2) until he has given the transferor a reasonable time in which to repair or replace (as the case may be) the goods.
- (2) The transferee acts under this subsection if—
- (a) he rejects the goods and terminates the contract for breach of condition;
 - (c) he requires the goods to be replaced or repaired (as the case may be).

11R Powers of the court

- (1) In any proceedings in which a remedy is sought by virtue of this Part the court, in addition to any other power it has, may act under this section.
- (2) On the application of the transferee the court may make an order requiring specific performance by the transferor of any obligation imposed on him by virtue of section 11N above.
- (3) Subsection (4) applies if—
 - (a) the transferee requires the transferor to give effect to a remedy under section 11N or 11P above or has claims to rescind under section 11P; but
 - (b) the court decides that another remedy under section 11N or 11P is appropriate.
- (4) The court may proceed—
 - (a) as if the transferee had required the transferor to give effect to the other remedy, or if the other remedy is rescission under section 11P;
 - (b) as if the transferee had claimed to rescind the contract under that section.
- (5) If the transferee has claimed to rescind the contract the court may order that any reimbursement to the transferee is reduced to take account of the use he has had of the goods since they were delivered to him.
- (6) The court may make an order under this section unconditionally or on such terms and conditions as to damages, payment of the price and otherwise as it thinks just.

11S Conformity with the contract

- (1) Goods do not conform to a contract for the supply or transfer of goods if—
 - (a) there is, in relation to the goods, a breach of an express term of the contract or a term implied by section 3, 4 or 5 above; or
 - (b) installation of the goods forms part of the contract for the transfer of goods, and the goods were installed by the transferor, or under his responsibility, in breach of the term implied by section 13 below.

Part II

Supply of Services

12 The contracts concerned

- (1) In this Act a “contract for the supply of a service” means, subject to subsection (2) below, a contract under which a person (“the supplier”) agrees to carry out a service.

- (2) For the purposes of this Act, a contract of service or apprenticeship is not a contract for the supply of a service.
- (3) Subject to subsection (2) above, a contract is a contract for the supply of a service for the purposes of this Act whether or not goods are also—
 - (a) transferred or to be transferred; or
 - (b) bailed or to be bailed by way of hire,under the contract, and whatever is the nature of the consideration for which the service is to be carried out.
- (4) The Board may make rules to provide that one or more of sections 13 to 15 below shall not apply to services of a description specified in the rules, and such rules may make different provision for different circumstances.

13 Implied term about care and skill

In a contract for the supply of a service where the supplier is acting in the course of a business, there is an implied term that the supplier will carry out the service with reasonable care and skill.

14 Implied term about time for performance

- (1) Where, under a contract for the supply of a service by a supplier acting in the course of a business, the time for the service to be carried out is not fixed by the contract, left to be fixed in a manner agreed by the contract or determined by the course of dealing between the parties, there is an implied term that the supplier will carry out the service within a reasonable time.
- (2) What is a reasonable time is a question of fact.

15 Implied term about consideration

- (1) Where, under a contract for the supply of a service, the consideration for the service is not determined by the contract, left to be determined in a manner agreed by the contract or determined by the course of dealing between the parties, there is an implied term that the party contracting with the supplier will pay a reasonable charge.
- (2) What is a reasonable charge is a question of fact.

16 Exclusion of implied terms, etc

- (1) Where a right, duty or liability would arise under a contract for the supply of a service by virtue of this Part of this Act, it may (subject to subsection (2) below and the 1977 Act) be negated or varied by express agreement, or by the course of dealing between the parties, or by such usage as binds both parties to the contract.
- (2) An express term does not negative a term implied by this Part of this Act unless inconsistent with it.

- (3) Nothing in this Part of this Act prejudices—
- (a) any rule of law which imposes on the supplier a duty stricter than that imposed by section 13 or 14 above; or
 - (b) subject to paragraph (a) above, any rule of law whereby any term not inconsistent with this Part of this Act is to be implied in a contract for the supply of a service.
- (4) This Part of this Act has effect subject to any other enactment which defines or restricts the rights, duties or liabilities arising in connection with a service of any description.

Part III

Supplementary

18 Interpretation: general

- (1) In the preceding provisions of this Act and this section—

“bailee”, in relation to a contract for the hire of goods means (depending on the context) a person to whom the goods are bailed under the contract, or a person to whom they are to be so bailed, or a person to whom the rights under the contract of either of those persons have passed;

“bailor”, in relation to a contract for the hire of goods, means (depending on the context) a person who bails the goods under the contract, or a person who agrees to do so, or a person to whom the duties under the contract of either of those persons have passed;

“business” includes a profession and the activities of any government department or local or public authority;

“credit-broker” means a person acting in the course of a business of credit brokerage carried on by him;

“credit brokerage” means the effecting of introductions—

- (a) of individuals desiring to obtain credit to persons carrying on any business so far as it relates to the provision of credit; or
- (b) of individuals desiring to obtain goods on hire to persons carrying on a business which comprises or relates to the bailment of goods under a contract for the hire of goods; or
- (c) of individuals desiring to obtain credit, or to obtain goods on hire, to other credit-brokers;

“goods” include all personal chattels, other than things in action and money; and in particular “goods” includes emblements, industrial growing crops, and things attached to or forming part of the land which are agreed to be severed before the transfer or bailment concerned or under the contract concerned;

“hire-purchase agreement” means an agreement, other than a conditional sale agreement, under which—

- (a) goods are bailed in return for periodical payments by the person to whom they are bailed; and
- (b) the property in the goods will pass to that person if the terms of the agreement are complied with and one or more of the following occurs—
 - (i) the exercise of an option to purchase by that person;
 - (ii) the doing of any other specified act by any party to the agreement; or
 - (iii) the happening of any other specified event,

and for the purposes of this definition “conditional sale agreement” means an agreement for the sale of goods or land under which the purchase price or part of it is payable by installments, and the property in the goods or land is to remain in the seller (notwithstanding that the buyer is to be in possession of the goods or land) until such conditions as to the payment of installments or otherwise as may be specified in the agreement are fulfilled;

“producer” means the manufacturer of goods, the importer of goods or any person purporting to be a producer by placing his name, trade mark or other distinctive sign on the goods;

“property”, in relation to goods, means the general property in them and not merely a special property;

“repair” means, in cases where there is a lack of conformity in goods for the purposes of this Act, to bring the goods into conformity with the contract;

“transferee”, in relation to a contract for the transfer of goods, means (depending on the context) a person to whom the property in the goods is transferred under the contract, or a person to whom the property is to be so transferred, or a person to whom the rights under the contract of either of those persons have passed;

“transferor”, in relation to a contract for the transfer of goods, means (depending on the context) a person who transfers the property in the goods under the contract, or a person who agrees to do so, or a person to whom the duties under the contract of either of those persons have passed.

- (2) In subsection (1) above, in the definitions of bailee, bailor, transferee and transferor, a reference to rights or duties passing is to their passing by assignment, operation of law or otherwise.
- (3) For the purposes of this Act, the quality of goods includes their state and condition and the following (among others) are in appropriate cases aspects of the quality of goods—

- (a) fitness for all the purposes for which goods of the kind in question are commonly supplied;
 - (b) appearance and finish;
 - (c) freedom from minor defects;
 - (d) safety; and
 - (e) durability.
- (4) References in this Act to dealing as consumer are to be construed in accordance with Part I of the Unfair Contract Terms Act 1977; and, for the purposes of this Act, it is for the transferor or bailor claiming that the transferee or bailee does not deal as consumer to show that he does not.

19 Interpretation: references to Acts

In this Act—

“the 1973 Act” means the Supply of Goods (Implied Terms) Act 1973;

“the 1977 Act” means the Unfair Contract Terms Act 1977; and

“the 1979 Act” means the Sale of Goods Act 1979.

20 Citation, transitional provisions, commencement and extent

- (1) This Act may be cited as the Supply of Goods and Services Act 1982.