

CLAMPING DOWN ON UNFAIR TRADING
- New law set to come into force on 26 May 2008 -

YOUR QUESTIONS ANSWERED

What are the Consumer Protection Regulations?

The Consumer Protection from Unfair Trading Regulations (otherwise known as the Consumer Protection Regulations or CPRs) are being introduced to clamp down on unfair sales and marketing practices. They are designed to protect consumers and honest businesses.

When do the CPRs come into force?

The CPRs are due to come into force on 26 May 2008, subject to Parliamentary approval. The regulations were laid in Parliament on 3 March 2008.

Why have the CPRs come about?

The regulations implement the EU Unfair Commercial Practices Directive which aims to tackle 'rogue traders' and the unfair practices that some companies use when selling to consumers.

Who will be affected by the CPRs?

All businesses in the UK that deal with consumers, or whose products are used by consumers, will be affected. The CPRs will also affect businesses that offer services such as car repairs, DVD rental or haircuts.

What if I only trade online?

The CPRs apply wherever trading takes place whether it is on the high street, online, or via TV or phone.

What do the CPRs actually do?

The CPRs are designed to simplify consumer protection by streamlining existing UK regulation, banning 31 types of unfair commercial practices outright. The regulations do three important things:

1. Provide a safety net in which to catch unfair practices that fall between existing rules. This will be achieved through a new general principle not to trade unfairly, mislead consumers or use aggressive selling techniques, effectively closing loopholes that 'rogue traders' have previously been able to exploit
2. Establish consistency of trading across the EU, making it easier for businesses to market goods and services to an EU wide market of 460 million consumers
3. Simplify and modernise consumer protection. The regulations establish a modern framework fit for the 21st century that is easy for consumers and businesses to understand.

So what exactly is banned by the CPRs?

Banned practices cover specific unscrupulous tactics, including: prize draw scams, bogus closing down sales and making persistent and unwanted telephone calls encouraging a consumer to buy a product.

How will the CPRs benefit UK business?

The CPRs will clamp down on those that are using underhand tactics to gain an unfair competitive advantage. This will help to create a level playing field for the businesses that treat their customers honestly and fairly. The CPRs will also establish consistency of trading across the EU, making it easier for businesses to market goods and services to an internal market of 460 million consumers.

What about all the honest businesses operating in the UK?

The vast majority of businesses do deal fairly and honestly with their customers and may not need to change the way they operate. But it is important that businesses are fully aware of, and understand, the new regulations to ensure that they are compliant.

Do we need more regulations?

The aim is to streamline consumer protection, making it simpler for both consumers and businesses to understand. The CPRs replace a lot of different pieces of legislation, including the Trade Descriptions Act, making it easier for business to keep up with new regulations. Also, because of the new general duty not to trade unfairly, there will be less need to create new laws in this area in future.

What will happen to businesses that don't comply?

Those responsible for enforcement will have a range of sanctions at their disposal. Depending on the seriousness of the offence, sanctions might range from guidance and working with those responsible for industry codes of conduct, for example trade associations, to unlimited fines and lengthy prison sentences.

Who will be enforcing the CPRs?

The CPRs will be enforced by Local Authority Trading Standards Services, the Department of Enterprise, Trade and Investment in Northern Ireland and the Office of Fair Trading.

What is BERR and how does it relate to the CPRs?

The Department for Business, Enterprise and Regulatory Reform was created on 28 June 2007, bringing together many functions of the former Department of Trade and Industry with the Better Regulation Executive. BERR works with business, employees and consumers to help ensure business success in an increasingly competitive world.

Providing consumers with better protection from rogue practices and disreputable traders and firms are central to these aims. Whether shopping on the high street or online, consumers have a right to be sold to fairly and honestly. For further information on BERR, visit:

www.berr.gov.uk

Where can I find more information on the CPRs?

To find out more information on the new *Consumer Protection Regulations*, please visit one of the following websites:

- www.businesslink.gov.uk/unfairtrading (England)
- www.bgateway.com/unfairtrading (Scotland)
- www.hiebusiness.co.uk/unfairtrading (Scottish Highlands & Islands)
- www.busesseye.org.uk (Wales)
- www.nibusinessinfo.co.uk/unfairtrading (Northern Ireland)