

THE SALE OF MOTOR VEHICLES

Are you complying with your
statutory obligations?



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The Sale of Goods Act 1979 ("the Act") is the main piece of legislation designed to help a consumer in circumstances where they purchase goods which are defective.

It is in your interest in the course of your business as a seller and dealer in motor vehicles to understand the implications of the Act to ensure you discharge your responsibilities under it. Putting aside the legal issues, it makes sense to comply with the requirements of the Act in order to retain your customers and ensure future trade.

Any warranty supplied with a vehicle will not exclude or limit a customer's statutory rights under the Act.

This leaflet explains the Act and how to address complaints made by your customers.

What are your responsibilities at the time you sell a vehicle?

You have certain responsibilities to a customer when you sell a vehicle, which are implied by the Act.

The main provisions you must be aware of are:

- You must make sure the vehicle "conforms to the contract". This means that the vehicle must be as you have described it. For example, the car must be the exact model or of the correct engine size and with the same number of previous owners as you have advised the customer. An incorrect description of the vehicle could lead to a claim against you for breach of contract.
- The vehicle must also be of "satisfactory quality". This means it should be safe to drive and use, it must work properly and it should not be defective taking into account its characteristics such as its age, its mileage and its price, amongst other things.

You must ensure the vehicle is "fit for purpose". This means it should be capable of doing what it is meant to do. You should bear in mind that if a customer has made clear they require the vehicle for a specific purpose and you have confirmed that it will be suitable, then the vehicle must be fit for that purpose.

What are your customer's rights?

If you sell a vehicle in breach of any of the implied terms of the contract and fail to comply with your responsibilities at the time of sale, you are legally obliged to rectify the situation if your customer complains.

The Act provides that a customer is entitled to reject faulty goods and claim damages or simply seek damages where rejection is not available. Rejection of goods is a remedy you will

want to avoid because it means that you have to give your customer their money back. This may leave you with the car, requiring repairs at your cost before you can sell the car again.

If a customer rejects goods, they must do so within a "reasonable time". What is a reasonable time will vary depending on the circumstances of each case.

Your customer can ask you to repair or replace a vehicle immediately rather than to ask for a refund. Such repair or replacement must not cause your customer too much inconvenience otherwise you may have to pay for your customer's reasonable expenses.

What should you do if your customer complains?

If a customer contacts you to complain about a vehicle he has purchased, it is very important for you to ensure that you establish what your responsibilities are under the Act and the Sale and Supply of Goods to Consumers Regulations 2002.

If the vehicle is as you described it for sale, if it is fit for its purpose, and if it is of satisfactory quality, you will have complied with your statutory obligations implied into the contract with your customer. This is sometimes easier said than done and for that reason you should, if you are unsure, seek legal advice straight away. If a complaint is made by your customer alleging breach of contract on your part, then you must deal with the complaint properly to ensure your customer does not have any claim against you. It is important to be clear of the circumstances in which your customer cannot seek a solution from you and most importantly, in what circumstances your customer is entitled to exercise their rights.

Knight Polson Solicitors can give you clear advice and guidance on how to deal with a complaint and can address the difficult questions which you may face including:

- How to address a complaint and ensure that you act correctly;
- How to avoid prejudicing your position by assessing what the appropriate remedy is to your customer in the circumstances;
- In which circumstances will the seller or the buyer be responsible for proving there is a fault with the vehicle;
- When not to action a complaint.

Interested?

If you would like to learn more about this subject and the service **Knight Polson** can offer, please contact:

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This leaflet is not a complete guide to the law and is not intended to be a guide to how the law will apply to you or to any specific situation. You should speak to a professional about your particular problem.