



HEATING & HOTWATER
INDUSTRY COUNCIL

Consumer Rights:

An engineers guide to the
2015 changes

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2015's Consumer Rights Act came into play on the 1st of October and affects the selling, terms and conditions, and supply of products and services, all of which are central to the heating and hot water industry.

The new Act streamlined complicated law from eight pieces of legislation into one place, to make consumers better informed and protected when buying goods and services. There has been a large media campaign to ensure that consumers know their rights, but it's just as **important for business owners and independent installers to understand how the changes affect them and their responsibilities to consumers.**

What's new?

For the most part, consumer rights will remain the same as pre-October 2015, but there are some clarifications and new rights in this Act:

- Right to a refund within 30 days for faulty products
- Right to ask for substandard services to be redone, or receive a price reduction
- Right to challenge unfair, small-print terms, conditions and costs

A key change is that **tradespeople now only have one chance to redo a service to the customer's satisfaction** – otherwise the right to reject comes back into play.

For the 99.9% of tradespeople who offer a reputable, above-board service, most of these legislation changes will have little if any effect. Clear contracts, sticking to the terms of agreement, supplying quality products – these are a given for most installers. However it is still worth reading up on how consumer rights are changing and what is expected of you as a trader.

The Act differentiates between 'goods' (products), 'services' and 'goods with services'



Do I offer a product or a service?

Home improvement trades are probably the hardest to define – all trades offer a service, but most also install a product too. If you install a new product (such as fitting a new gas fire), replace an existing product (upgrading a heating system) or use any materials to improve a home, you have also installed a product.

If you provide a service without installing a product, such as fixing a heating system without replacing parts, you are still bound by the new Consumer Rights Act, but only under the 'services' section.

Following on from the Sale of Goods Act, the Consumer Rights Act states that **all products must be of satisfactory quality, fit for purpose, and as described.**

One of the biggest changes in legislation is the 30-day right to reject. This means that if a product is found to be faulty within 30 days after the product has been installed, the consumer has the right to reject the product and ask for a replacement or refund. The onus is on the consumer to demonstrate that the 'goods' are not of satisfactory quality, fit for purpose, or as described.

This is the main concern for many in the domestic heating industry, as this may create problems when consumers try to reject products that have already been installed. The claim is with the retailer (installer), not the manufacturer, so it is always the responsibility of the installer to make sure the product being installed is of satisfactory quality.

The law leaves this open to interpretation, so there is no guide on what is 'satisfactory quality' when it comes to home improvements. The 'right to reject' does not apply to incorrect installation of products; rather the product itself must be faulty. In any other case, the 'Services' section applies.

N.B. The 30-day right to reject is different from the 30-day 'cooling off' period that a consumer is also entitled to under the Consumer Contracts Regulations 2013.



Faulty goods & failed repairs

After 30 days, the consumer no longer has the ‘right to reject’ outright – instead the consumer can ask for a free repair or replacement, or a price reduction. After one failed attempt by the ‘retailer’ to repair or replace a faulty item, the consumer is entitled to ask for a refund or price reduction.

A tradesperson can refuse a repair or refund if they feel the repair is impossible or disproportionate, such as a small fault on high value goods.

If a fault develops between 30 days to 6 months, it is assumed that the product was supplied with a pre-existing fault, and it is up to the tradesperson to prove that the product was fault-free at installation, or that the fault is due to consumer misuse. After 6 months, the impetus is on the consumer to prove that the product was faulty at time of delivery.

Services

Even if you provide a service without a product, there are still updated parts of the Consumer Rights Act which are relevant to you. As a trader, you must perform the service with relevant care and skill, and within a reasonable time frame.

Also, information said or written is binding, ‘where the consumer relies on it’. If any of these parts of your service is deemed ‘below standard’ by the consumer, they are entitled to ask for you to either redo a part of the service or complete the whole service again for free. If the service cannot be performed within a reasonable amount of time, without causing inconvenience, the consumer is entitled to ask for a price reduction – in some cases up to 100%.



Should the industry be concerned?

The new rules come down heavily in favour of the consumer, which have created concerns within the industry that consumers will take advantage of businesses.

Installers are understandably worried about consumers abusing this legislation to knock money off a service or even get a home improvement for free. **HHIC's advice is to safeguard your business and trade services.**

The wording of the new Act is deliberately vague in places to allow for interpretation on a case by case basis. This isn't necessarily a bad thing, but this does mean that to protect your business against disputes, don't leave any room for doubt.

Whatever service you provide, you have entered into a contract. Although not a legality, it's best practice to set out the terms in writing and document any correspondence. Good organisation and clear communication will help to avoid any misunderstandings when it comes to consumers' expectations of your products and services.

The right to replace 'faulty digital content' is also part of the new legislation, so it's also important to make sure that your business's website and social media pages are reflective of the services you offer.

Best practices to avoid consumer rights disputes

- Set out all terms of the contract in writing
- Brush up on the legalities of the services you offer
- Offer fair contracts, written in plain English, with no hidden clauses
- Give written quotations with an open-book breakdown of costs
- Agree a reasonable timescale of works
- Communicate any changes to project plans with the customer to avoid disagreements
- Upon completion of works, request a signed and dated customer installation checklist and satisfaction questionnaire
- Provide Insurance Backed Guarantees and make it easy for customers to apply and receive these



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The Heating & Hotwater Industry Council (HHIC) is a member organisation committed to supporting and promoting the sustained growth of the UK domestic heating and hot water industry. HHIC represents the industry at all levels, networks across the industry, Government and beyond, facilitates a range of market development activities and research. It also provides technical expertise. HHIC is a division of the Energy and Utilities Alliance (EUA).

We have been at the heart of the heating industry for over 100 years, making sure our members are always informed and their interests represented.

One voice, united, to influence change

The Heating and Hot Water Industry Council

Camden House
Warwick Road
Kenilworth
Warwickshire
CV8 1TH
T +44 (0) 1926 513777
F +44 (0) 1926 511923

www.centralheating.co.uk



@hhic