GCSE Business
External Influences

Consumer Legislation

Consumer Laws

Definition: Laws that have been introduced to prevent businesses from treating their customers unfairly.

Businesses can treat their customers unfairly in a number of ways, such as:
- by selling goods and services that are not as described – for example, incorrect quantities stated on the packet
- by selling products that are unsafe – for example, toys containing unsafe chemicals
- by selling products of poor quality or at unfair prices
- by selling information about consumers to other businesses without their permission

Legal Responsibilities a Business has to its Customers

- **Must ensure customer environment is safe ➔** otherwise they may get hurt / they may sue for damages
- **Condition of goods ➔** must be fit for sale / fit for purpose / as described
- **Redress for customers**
- **Description of good / service ➔** must be accurate / businesses can be prosecuted
- **Weights / measures ➔** must be accurate

The Consumer Rights Act 2015

Definition: This law provides consumers with clear rights and protection when buying goods and services. It states that all products sold to consumers must be of a satisfactory quality, fit for purpose and as described.

The Consumer Rights Act covers:
- product quality
- returning goods
- repairs and replacements
- delivery rights.

Consumer Protection Act 1987

Definition: This law prevents firms from selling dangerous products to consumers. It makes businesses liable for any illness or injury to consumers caused by using their products.

Unfair Trading Regulations 2008

Definition: This law replaced the Trade Descriptions Act. It makes it illegal to give consumers incorrect information on packaging and labels. It also outlines aggressive selling tactics by door to door sales people.

Consumer Credit Act 1974

Definition: This law stops a business charging very high rates of interest to consumers if they take out a loan when buying expensive products such as cars. It also allows consumers a week during which they have the right to change their minds about agreeing to a loan.

Data Protection Act 1998

Definition: This law controls the use of consumers' information. Businesses that store information about consumers must do so securely and avoid any theft or loss. It prevents consumers' personal details being sold or given to other businesses without the consumers' agreement.

Computer Misuse Act 1990

Definition: This Act prevents people looking at information stored on computers that they have no right to read.

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Food and Drugs Act 1984

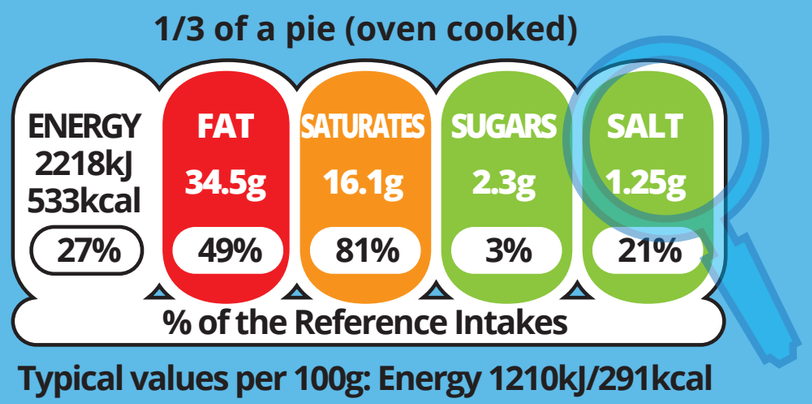
Definition: This law lists those things that can, and cannot, be added to food products. The law also makes it illegal to make or sell food in unclean buildings.

Food Safety Act 1990

Definition: This law makes it illegal to sell food to consumers that is unsafe and may cause illness. The Act covers farmers as well as restaurants and shops.

Labelling of Food Regulations 1970

Definition: This law states that packaged food must contain the ingredients listed on the label.



Weights and Measures Act 1986

Definition: This law states that weights and measures must be stated on packets or containers. It also states that the measure must be correct.

Intellectual Property

Definition: Property which cannot be seen or touched but is the result of the creativity of an individual or group.

This can include:
- businesses' names, or the names of their brands
- inventions – for example, a new type of battery
- the design of a business' products
- books, paintings and music

Just as goods need to be protected from theft and damage, intellectual property is protected by patents and copyrights.

Patents

Definition: This gives its holder the right to be the only user or producer of a new invention for a stated period of time.

Copyright

Definition: This describes the rights that writers and artists have over their works.

Trademarks

Definition: This is a logo or symbol that distinguishes the products or brands of one business from those of others.

The Advertising Standards Authority (ASA)

Definition: The Advertising Standards Authority (ASA) is a self-regulated organisation that aim to regulate the content of advertisements, sales promotions and direct marketing offered by businesses in the UK to ensure they are obeying the advertising standards code.

They monitor and control marketing by investigating complaints made about ads, sales promotions or direct marketing, and deciding whether such advertising complies with its advertising standards code.