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New EU Directives



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The Sales of Goods Directive (2019/771) and Digital Content and Services Directive (2019/770) (the New Directives) will be effective from 1 January 2022.

Although the New Directives will not form part of English law following the UK's departure from the EU, if UK businesses supply goods or digital content or services to EU member states they may be subject to the New Directives. It is therefore important to understand the requirements of the New Directives and the circumstances in which you may need to provide additional protections to EU consumers.

Purpose

The purpose of the New Directives is to protect consumers by providing an improved structure to the functioning of both the digital market and the traditional goods and services markets. In addition, the New Directives contain remedies that will be available to EU consumers in the event of a breach by the supplier of any of the provisions of the New Directives.

Requirements of the New Directives

If you have customers in the EU, it is important to be aware of the requirements of the New Directives to ensure that they are not inadvertently breached when supplying to EU consumers as they are applicable to all businesses that supply to the EU market. If you supply digital products, goods or services to the EU, what you sell must meet certain new criteria set out in the New Directives. In summary, here is a brief overview of some of the more obvious requirements to be met. Goods and services must:

- 1. Fit the description, type, quantity and quality specified in the contract;
- 2. Possess the functionality, compatibility and interoperability features specified in the contract;
- 3. Be fit for purpose;
- 4. Be supplied with all accessories, instructions and customer assistance as required by the contract; and

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5. Be updated as stipulated by the contract.

You may recognise some of these requirements as being similar to the Consumer Rights Act 2015 in English law. Therefore it is to be hoped that for English suppliers at least, compliance with the New Directives should not require significant changes.

Consumer Protections

The New Directives are implemented into the local laws of each EU member state therefore, EU consumers will have the right to, and UK businesses supplying to EU consumers will be obliged to provide, various protections under the New Directives, should suppliers fail to comply with the requirements of the New Directives. Examples of those protections include:

- 1. Consumers having a minimum of two years from the date of delivery to bring a claim for non-conformance;
- 2. Any lack of conformity which becomes apparent within one year of delivery is presumed to have existed at the time when the goods were delivered unless the SUPPlier can prove otherwise; and
- 3. Consumers have a right to reject defective goods and to treat the contract as repudiated or ask for immediate replacement, within 30 days of delivery.

Remedies

Failure to comply with the provisions of the New Directive may entitle the customers to certain remedies such as reimbursing the price paid or, at the customer's choice, replacing, repairing or servicing the products within a reasonable period of time and without significant inconvenience to the customer.

Repairs, replacements and servicing must be carried out at the supplier's cost and therefore be free of charge to the customer, including the cost of postage, carriage, labour or materials.

Another remedy available to the customer is the termination of the contract in circumstances where the supplier is unable or fails to provide a repair or replacement.

UK businesses supplying goods or services to the EU market should be aware of the New Directives and how they may impact trading. This is a very brief overview so if you would like some more in-depth advice on how the

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New Directives could apply to you, please feel free to contact our specialist <u>corporate and commercial lawyers</u> on 01202 786183 or by emailing <u>online.enquiries@la-law.com</u>

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