



Supply of Goods and Services Act 1982

1982 CHAPTER 29

PART I

SUPPLY OF GOODS

Contracts for the hire of goods

6 The contracts concerned. **E+W**

- (1) In this Act [^{F1}in its application to England and Wales and Northern Ireland] a “contract for the hire of goods” means a contract under which one person bails or agrees to bail goods to another by way of hire, other than [^{F2} a hire-purchase agreement]^{F2}.
- (2) ^{F3}.....
- (3) For the purposes of this Act [^{F1}in its application to England and Wales and Northern Ireland] a contract is a contract for the hire of goods whether or not services are also provided or to be provided under the contract, and ^{F4}... whatever is the nature of the consideration for the bailment or agreement to bail by way of hire.

Extent Information

- E1** This version of this provision extends to England and Wales only; a separate version has been created for Northern Ireland only

Textual Amendments

- F1** Words in s. 6(1)(3) inserted (3.1.1995) by 1994 c. 35, ss. 7, 8(2), **Sch. 2 para. 6(6)** (with s. 8(3))
- F2** Words in s. 6(1) substituted (E.W.) (6.4.2005) by [The Regulatory Reform \(Trading Stamps\) Order 2005 \(S.I. 2005/871\)](#) {art. 5(b)(i)}; (N.I.) (15.11.2005) by [The Law Reform \(Miscellaneous Provisions\) \(Northern Ireland\) Order 2005 \(S.I. 2005/1452 \(N.I. 7\)\)](#), arts. 1(2), **21(2)(b)(i)**; S.R. 2005/494, **art. 2(1)(b)**
- F3** S. 6(2) omitted (E.W.) (6.4.2005) by virtue of [The Regulatory Reform \(Trading Stamps\) Order 2005 \(S.I. 2005/871\)](#) {art. 5(b)(ii)}; and repealed (N.I.) (15.11.2005) by [The Law Reform \(Miscellaneous](#)

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Provisions) (Northern Ireland) Order 2005 (S.I. 2005/1452 (N.I. 7)), arts. 1(2), 21(2)(b)(ii), 24, **Sch. 2**; S.R. 2005/494, **art. 2(1)(b)(d)**

- F4** Words in s. 6(3) omitted (E.W.) (6.4.2005) by virtue of **The Regulatory Reform (Trading Stamps) Order 2005 (S.I. 2005/871)** {art. 5(b)(iii)}; and repealed (N.I.) (15.11.2005) by **The Law Reform (Miscellaneous Provisions) (Northern Ireland) Order 2005 (S.I. 2005/1452 (N.I. 7))**, arts. 1(2), 21(2)(b)(iii), 24, **Sch. 2**; S.R. 2005/494, **art. 2(1)(b)(d)**

6 **The contracts concerned.** **N.I.**

- (1) In this Act [^{F1}in its application to England and Wales and Northern Ireland] a “contract for the hire of goods” means a contract under which one person bails or agrees to bail goods to another by way of hire, other than an excepted contract.
- (2) For the purposes of this section an excepted contract means any of the following:—
 - (a) a hire-purchase agreement;
 - (b) a contract under which goods are (or are to be) bailed in exchange for trading stamps on their redemption.
- (3) For the purposes of this Act [^{F1}in its application to England and Wales and Northern Ireland] a contract is a contract for the hire of goods whether or not services are also provided or to be provided under the contract, and (subject to subsection (2) above) whatever is the nature of the consideration for the bailment or agreement to bail by way of hire.

Extent Information

- E2** This version of this provision extends to Northern Ireland only; a separate version has been created for England and Wales only

Textual Amendments

- F1** Words in s. 6(1)(3) inserted (3.1.1995) by 1994 c. 35, ss. 7, 8(2), **Sch. 2 para. 6(6)** (with s. 8(3))

7 **Implied terms about right to transfer possession, etc.**

- (1) In a contract for the hire of goods there is an implied condition on the part of the bailor that in the case of a bailment he has a right to transfer possession of the goods by way of hire for the period of the bailment and in the case of an agreement to bail he will have such a right at the time of the bailment.
- (2) In a contract for the hire of goods there is also an implied warranty that the bailee will enjoy quiet possession of the goods for the period of the bailment except so far as the possession may be disturbed by the owner or other person entitled to the benefit of any charge or encumbrance disclosed or known to the bailee before the contract is made.
- (3) The preceding provisions of this section do not affect the right of the bailor to repossess the goods under an express or implied term of the contract.

8 **Implied terms where hire is by description.**

- (1) This section applies where, under a contract for the hire of goods, the bailor bails or agrees to bail the goods by description.

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- (2) In such a case there is an implied condition that the goods will correspond with the description.
- (3) If under the contract the bailor bails or agrees to bail the goods by reference to a sample as well as a description it is not sufficient that the bulk of the goods corresponds with the sample if the goods do not also correspond with the description.
- (4) A contract is not prevented from falling within subsection (1) above by reason only that, being exposed for supply, the goods are selected by the bailee.

9 Implied terms about quality or fitness.

- (1) Except as provided by this section and section 10 below and subject to the provisions of any other enactment, there is no implied condition or warranty about the quality or fitness for any particular purpose of goods bailed under a contract for the hire of goods.
- [^{F5}(2) Where, under such a contract, the bailor bails goods in the course of a business, there is an implied condition that the goods supplied under the contract are of satisfactory quality.
- (2A) For the purposes of this section and section 10 below, goods are of satisfactory quality if they meet the standard that a reasonable person would regard as satisfactory, taking account of any description of the goods, the consideration for the bailment (if relevant) and all the other relevant circumstances.
[If the bailee deals as consumer, the relevant circumstances mentioned in
^{F6}(2B) subsection (2A) above include any public statements on the specific characteristics of the goods made about them by the bailor, the producer or his representative, particularly in advertising or on labelling.
- (2C) A public statement is not by virtue of subsection (2B) above a relevant circumstance for the purposes of subsection (2A) above in the case of a contract for the hire of goods, if the bailor shows that—
 - (a) at the time the contract was made, he was not, and could not reasonably have been, aware of the statement,
 - (b) before the contract was made, the statement had been withdrawn in public or, to the extent that it contained anything which was incorrect or misleading, it had been corrected in public, or
 - (c) the decision to acquire the goods could not have been influenced by the statement.
- (2D) Subsections (2B) and (2C) above do not prevent any public statement from being a relevant circumstance for the purposes of subsection (2A) above (whether or not the bailee deals as consumer) if the statement would have been such a circumstance apart from those subsections.]
- ^{F6}(3) The condition implied by subsection (2) above does not extend to any matter making the quality of goods unsatisfactory—
 - (a) which is specifically drawn to the bailee's attention before the contract is made,
 - (b) where the bailee examines the goods before the contract is made, which that examination ought to reveal, or
 - (c) where the goods are bailed by reference to a sample, which would have been apparent on a reasonable examination of the sample.]

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- (4) Subsection (5) below applies where, under a contract for the hire of goods, the bailor bails goods in the course of a business and the bailee, expressly or by implication, makes known—
- (a) to the bailor in the course of negotiations conducted by him in relation to the making of the contract, or
 - (b) to a credit-broker in the course of negotiations conducted by that broker in relation to goods sold by him to the bailor before forming the subject matter of the contract,
- any particular purpose for which the goods are being bailed.
- (5) In that case there is (subject to subsection (6) below) an implied condition that the goods supplied under the contract are reasonably fit for that purpose, whether or not that is a purpose for which such goods are commonly supplied.
- (6) Subsection (5) above does not apply where the circumstances show that the bailee does not rely, or that it is unreasonable for him to rely, on the skill or judgment of the bailor or credit-broker.
- (7) An implied condition or warranty about quality or fitness for a particular purpose may be annexed by usage to a contract for the hire of goods.
- (8) The preceding provisions of this section apply to a bailment by a person who in the course of a business is acting as agent for another as they apply to a bailment by a principal in the course of a business, except where that other is not bailing in the course of a business and either the bailee knows that fact or reasonable steps are taken to bring it to the bailee's notice before the contract concerned is made.

^{F7}(9)

Textual Amendments

- F5** S. 9(2)(2A)(3) substituted (3.1.1995) for s. 9(2)(3) by 1994 c. 35, ss. 7, 8(2), **Sch. 2 para. 6(7)** (with s. 8(3))
- F6** s. 9 (2B)-(2D) inserted (31.3.2003) by The Sale and Supply of Goods to **Consumers Regulations 2002** (S.I. 2002/3045) {reg. 10(2)}
- F7** S. 9(9) repealed (3.1.1995) by 1994 c. 35, ss. 7, 8(2), **Sch. 2 para. 6(7)**, **Sch. 3** (with s. 8(3))

10 Implied terms where hire is by sample.

- (1) This section applies where, under a contract for the hire of goods, the bailor bails or agrees to bail the goods by reference to a sample.
- (2) In such a case there is an implied condition—
- (a) that the bulk will correspond with the sample in quality; and
 - (b) that the bailee will have a reasonable opportunity of comparing the bulk with the sample; and
 - (c) that the goods will be free from any defect, [^{F8}making their quality unsatisfactory], which would not be apparent on reasonable examination of the sample.

^{F9}(3)

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- (4) For the purposes of this section a bailor bails or agrees to bail goods by reference to a sample where there is an express or implied term to that effect in the contract concerned.

Textual Amendments

- F8** Words in s. 10(2)(c) substituted (3.1.1995) by 1994 c. 35, ss. 7, 8(2), **Sch. 2 para. 6(8)(a)** (with s. 8(3))
F9 S. 10(3) repealed (3.1.1995) by 1994 c. 35, ss. 7, 8(2), **Sch. 2 para. 6(8)(b)**, **Sch. 3** (with s. 8(3))

[^{F10}10A Modification of remedies for breach of statutory condition in non-consumer cases.

- (1) Where in the case of a contract for the hire of goods—
- (a) the bailee would, apart from this subsection, have the right to treat the contract as repudiated by reason of a breach on the part of the bailor of a term implied by section 8, 9 or 10(2)(a) or (c) above, but
 - (b) the breach is so slight that it would be unreasonable for him to do so,
- then, if the bailee does not deal as consumer, the breach is not to be treated as a breach of condition but may be treated as a breach of warranty.
- (2) This section applies unless a contrary intention appears in, or is to be implied from, the contract.
- (3) It is for the bailor to show that a breach fell within subsection (1)(b) above.]

Textual Amendments

- F10** S. 10A inserted (3.1.1995) by 1994 c. 35, ss. 7, 8(2), **Sch. 2 para. 6** (9) (with s. 8(3))

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