
STATUTORY INSTRUMENTS

1988 No. 2078

CONSUMER PROTECTION

**The Consumer Protection (Code of Practice for Traders
on Price Indications) Approval Order 1988**

Made - - - - - *29th November 1988*

Laid before Parliament *30th November 1988*

Coming into force - *1st March 1989*

Whereas the Secretary of State has, in accordance with sections 25(1) of the Consumer Protection Act 1987(a), consulted the Director General of Fair Trading and such other persons as the Secretary of State considered it appropriate to consult:

Now, therefore, the Secretary of State, in exercise of the powers conferred upon him by section 25 of that Act and of all other powers enabling him in that behalf, hereby makes the following Order:-

1. This Order may be cited as the Consumer Protection (Code of Practice for Traders on Price Indications) Approval Order 1988 and shall come into force on 1 March 1989.

2. The code of practice, as set out in the Schedule to this Order, issued by the Secretary of State for the purpose of-

- (a) giving practical guidance with respect to the requirements of section 20 of the Consumer Protection Act 1987; and
- (b) promoting what appear to the Secretary of State to be desirable practices as to the circumstances and manner in which a person gives an indication as to the price at which goods, services, accommodation or facilities are available or indicates any other matter in respect of which any such indication may be misleading-

is hereby approved.

29th November 1988

Eric Forth
Parliamentary Under-Secretary of State,
Department of Trade and Industry

(a) 1987 c.43.

SCHEDULE

Article 2



the department for Enterprise

CODE OF PRACTICE **FOR TRADERS** **ON PRICE INDICATIONS**

NOVEMBER 1988

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***I*ntroduction**

The Consumer Protection Act

The Consumer Protection Act 1987 makes it a criminal offence to give consumers a misleading price indication about goods, services, accommodation (including the sale of new homes) or facilities. It applies however you give the price indication – whether in a TV or press advertisement, in a catalogue or leaflet, on notices, price tickets or shelf-edge marking in stores, or if you give it orally, for example on the telephone. The term “price indication” includes price comparisons as well as indications of a single price.

2. This code of practice is approved under section 25 of the Act which gives the Secretary of State power to approve codes of practice to give practical guidance to traders. It is addressed to traders and sets out what is good practice to follow in giving price indications in a wide range of different circumstances, so as to avoid giving misleading price indications. But the Act does not require you to do as this code tells you. You may still give price indications which do not accord with this code, provided they are not misleading. “Misleading” is defined in section 21 of the Act.

The definition covers indications about any conditions attached to a price, about what you expect to happen to a price in future and what you say in price comparisons, as well as indications about the actual price the consumer will have to pay. It also applies in the same way to any indications you give about the way in which a price will be calculated.

Price comparisons

3. If you want to make price comparisons, you should do so only if you can show that they are accurate and valid. Indications which give only the price of the product are unlikely to be misleading if they are accurate and cover the total charge you will make. Comparisons with prices which you can show have been or are being charged for the same or similar goods, services, accommodation or facilities and have applied for a reasonable period are also unlikely to be misleading. Guidance on these matters is contained in this code.

Enforcement

4. Enforcement of the Consumer Protection Act 1987 is the responsibility of officers of the local weights and measures authority (in Northern Ireland, the Department of Economic Development) – usually called Trading Standards Officers. If a Trading Standards Officer has reasonable grounds to suspect that you have given a misleading price indication, the Act gives the Officer power to require you to produce any records relating to your business and to seize and detain goods or records which the Officer has reasonable grounds for believing may be required as evidence in court proceedings.

5. It may only be practicable for Trading Standards Officers to obtain from you the information necessary to carry out their duties under the Act. In these circumstances the

Officer may seek information and assistance about both the claim and the supporting evidence from you. Be prepared to cooperate with Trading Standards Officers and respond to reasonable requests for information and assistance.

The Act makes it an offence to obstruct a Trading Standards Officer intentionally or to fail (without good cause) to give any assistance or information the Officer may reasonably require to carry out duties under the Act.

Court proceedings

6. If you are taken to court for giving a misleading price indication, the court can take into account whether or not you have followed the code. If you have done as the code advises, that will not be an absolute defence but it will tend to show that you have not committed an offence. Similarly if you have done something the code advises against doing it may tend to show that the price indication was misleading. If you do something which is not covered by the code, your price indication will need to be judged only against the terms of the general offence. The Act provides for a defence of due diligence, that is, that you have taken all reasonable steps to avoid committing the offence of giving a misleading price indication, but failure to follow the code of practice may make it difficult to show this.

Regulations

7. The Act also provides power to make regulations about price indications and you should ensure that your price indications comply with any such regulations. There are none at present.

Other legislation

8. This code deals only with the requirements of Part III of the Consumer Protection Act 1987. In some sectors there will be other relevant legislation. For example, price indications about credit terms must comply with the Consumer Credit Act 1974 and the regulations made under it, as well as with the Consumer Protection Act 1987.

Definitions

In this code:

Accommodation includes hotel and other holiday accommodation and new homes for sale freehold or on a lease of over 21 years but does not include rented homes.

Consumer means anyone who might want the goods, services, accommodation or facilities, other than for business use.

Price means both the total amount the consumer will have to pay to get the goods, services, accommodation or facilities and any method which has been or will be used to calculate that amount.

Price comparison means any indication given to consumers that the price at which something is

	offered to consumers is less than or equal to some other price.
<i>Product</i>	means goods, services, accommodation and facilities (but not credit facilities, except where otherwise specified).
<i>Services and Facilities</i>	means any services or facilities whatever (including credit, banking and insurance services, purchase or sale of foreign currency, supply of electricity, off-street car parking and caravan sites) <i>except</i> those provided by a person who is an authorised person or appointed representative under the Financial Services Act 1986 in the course of an investment business, services provided by an employee to his employer and facilities for a caravan which is the occupier's main or only home.
<i>Shop</i>	means any shop, store, stall or other place (including a vehicle or the consumer's home) at which goods, services, accommodation or facilities are offered to consumers.
<i>Trader</i>	means anyone (retailers, manufacturers, agents, service providers and others) who is acting in the course of a business.

***P*art 1: Price comparisons**

1.1 Price comparisons generally

1.1.1 Always make the meaning of price indications clear. Do not leave consumers to guess whether or not a price comparison is being made. If no price comparison is intended, do not use words or phrases which, in their normal, everyday use and in the context in which they are used, are likely to give your customers the impression that a price comparison is being made.

1.1.2 Price comparisons should always state the higher price as well as the price you intend to charge for the product (goods, services, accommodation or facilities). Do not make statements like “sale price £5” or “reduced to £39” without quoting the higher price to which they refer.

1.1.3 It should be clear what sort of price the higher price is. For example, comparisons with something described by words like “regular price”, “usual price” or “normal price” should say whose regular, usual or normal price it is (eg “our normal price”). Descriptions like “reduced from” and crossed out higher prices should be used only if they refer to your own previous price. Words should not be used in price indications other than with their normal everyday meanings.

1.1.4 Do not use initials or abbreviations to describe the higher price in a comparison, except for the initials “RRP” to describe a recommended retail price or the abbreviation “man. rec. price” to describe a manufacturer’s recommended price (see paragraph 1.6.2 below).

1.1.5 Follow the part of the code (sections 1.2 to 1.6 as appropriate) which applies to the type of comparison you intend to make.

1.2 Comparisons with the trader’s own previous price

General

1.2.1 In any comparison between your present selling price and another price at which you have in the past offered the product, you should state the previous price as well as the new lower price.



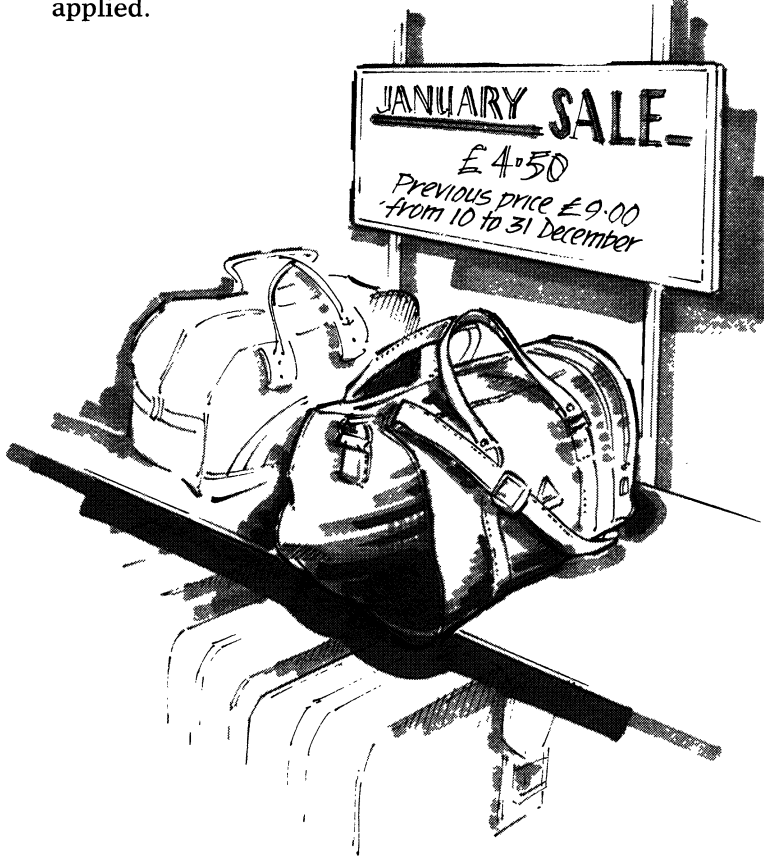
1.2.2 In any comparison with your own previous price:

- (a) the previous price should be the *last* price at which the product was available to consumers in the previous 6 months;
- (b) the product should have been available to consumers at that price for at least 28 consecutive days in the previous 6 months; and
- (c) the previous price should have applied (as above) for that period at the *same* shop where the reduced price is now being offered.

The 28 days at (b) above may include bank holidays, Sundays or other days of religious observance when the shop was closed; and up to 4 days when, for reasons beyond your control, the product was not available for supply. The product must not have been offered at a different price between that 28 day period and the day when the reduced price is first offered.

1.2.3 If the previous price in a comparison does not meet one or more of the conditions set out in paragraph 1.2.2 above:

- (i) the comparison should be fair and meaningful; and
- (ii) give a clear and positive explanation of the period for which and the circumstances in which that higher price applied.



For example “these goods were on sale here at the higher price from 1 February to 26 February” or “these goods were on sale at the higher price in 10 of our 95 stores only”. Display the explanation clearly, and as prominently as the price indication. You should *not* use general disclaimers saying for example that the higher prices used in comparisons have not necessarily applied for 28 consecutive days.

Food, drink and perishable goods

1.2.4 For any food and drink, you need not give a positive explanation if the previous price in a comparison has not applied for 28 consecutive days, *provided* it was the last price at which the goods were on sale in the previous 6 months and applied in the same shop where the reduced price is now being offered. This also applies to non-food perishables, if they have a shelf-life of less than 6 weeks.

Catalogue and Mail order traders

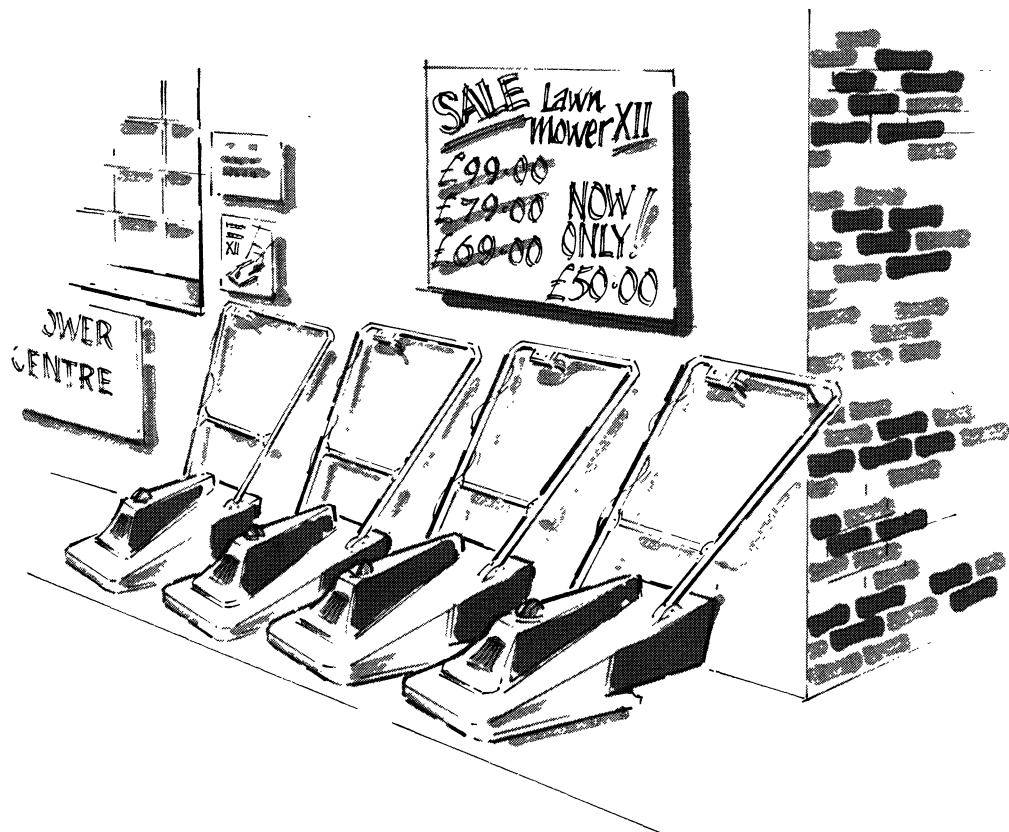
1.2.5 Where products are sold only through a catalogue, advertisement or leaflet, any comparison with a previous price should be with the price in your own last catalogue, advertisement or leaflet. If you sell the same products both in shops and through catalogues etc, the previous price should be the last price at which you offered the product. You should also follow the guidance in paragraphs 1.2.2 (a) and (b). If your price comparison does not meet these conditions, you should follow the guidance in paragraph 1.2.3.

Making a series of reductions

1.2.6 If you advertise a price reduction and then want to reduce the price further during the same sale or special offer period, the intervening price (or prices) need not have applied for 28 days. In these circumstances unless you use a positive explanation (paragraph 1.2.3):

the highest price in the series must have applied for 28 consecutive days in the last 6 months at the same shop:
and

you must show the highest price, the intervening price(s) and the current selling price (eg "~~£40~~, ~~£20~~, ~~£10~~, £5").

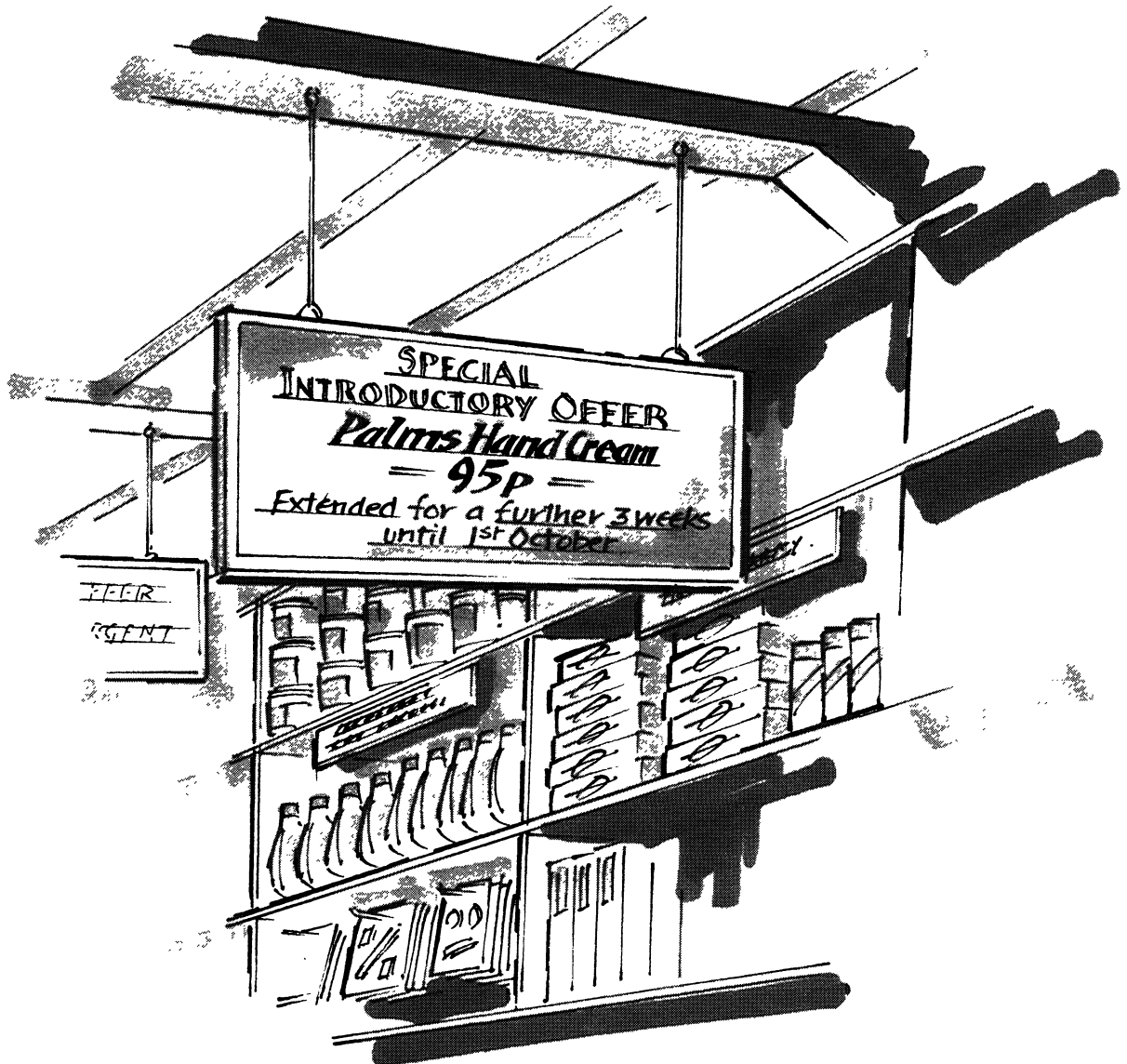


1.3 Introductory offers, after-sale or after-promotion prices

Introductory Offers

1.3.1 Do not call a promotion an introductory offer unless you intend to continue to offer the product for sale after the offer period is over and to do so at a higher price.

1.3.2 Do not allow an offer to run on so long that it becomes misleading to describe it as an introductory or other special offer. What is a reasonable period will depend on the circumstances (but, depending on the shelf-life of the product, it is likely to be a matter of weeks, not months). An offer is unlikely to be misleading if you state the date the offer will end and keep to it. If you then extend the offer period, make it clear that you have done so.



Quoting a future price

1.3.3 If you indicate an after-sale or after-promotion price, do so only if you are certain that, subject only to circumstances beyond your control, you will continue to offer identical products at that price for at least 28 days in the 3 months after the end of the offer period or after the offer stocks run out.

1.3.4 If you decide to quote a future price, write what you mean in full. Do not use initials to describe it (eg “ASP”, “APP”). The description should be clearly and prominently displayed, with the price indication.

1.4 Comparisons with prices related to different circumstances

1.4.1 This section covers comparisons with prices:

- (a) for different quantities (eg “15p each, 4 for 50p”);
- (b) for goods in a different condition (eg “seconds £20, when perfect £30”);
- (c) for a different availability (eg “price £50, price when ordered specially £60”);
- (d) for goods in a totally different state (eg “price in kit form £50, price ready-assembled £70”); or
- (e) for special groups of people (eg “senior citizens’ price £2.50, others £5”).

General

1.4.2 Do not make such comparisons unless the product is available in the different quantity, conditions etc at the price you quote. Make clear to consumers the different circumstances which apply and show them prominently with the price indication. Do not use initials (eg “RAP” for “ready-assembled price”) to describe the different circumstances, but write what you mean in full.

“When perfect” comparisons

1.4.3 If you do not have the perfect goods on sale in the same shop:

- (a) follow section 1.2 if the “when perfect” price is your own previous price for the goods;
- (b) follow section 1.5 if the “when perfect” price is another trader’s price; or
- (c) follow section 1.6 if the “when perfect” price is one recommended by the manufacturer or supplier.

Goods in a different state

1.4.4 Only make comparisons with goods in a totally different state if:

- (a) a reasonable proportion (say a third (by quantity)) of your stock of those goods is readily available for sale to consumers in that different state (for example, ready assembled) at the quoted price and from the shop where

the price comparison is made; or

(b) another trader is offering those goods in that state at the quoted price and you follow section 1.5 below.

Prices for special groups of people

1.4.5 If you want to compare different prices which you charge to different groups of people (eg one price for existing customers and another for new customers, or one price for people who are members of a named organisation (other than the trader) and another for those who are not), do not use words like "our normal" or "our regular" to describe the higher price, unless it applies to at least half your customers.



1.5 Comparisons with another trader's prices

1.5.1 Only compare your prices with another trader's price if:

- (a) you know that his price which you quote is accurate and up-to-date;
- (b) you give the name of the other trader clearly and prominently, with the price comparison;
- (c) you identify the shop where the other trader's price applies, if that other trader is a retailer; and



- (d) the other trader's price which you quote applies to the same products – or to substantially similar products and you state any differences clearly.

1.5.2 Do not make statements like “if you can buy this product elsewhere for less, we will refund the difference” about your “own brand” products which other traders do not stock, unless your offer will also apply to other traders’ equivalent goods. If there are any conditions attached to the offer (eg it only applies to goods on sale in the same town) you should show them clearly and prominently, with the statement.

1.6 Comparisons with “Recommended Retail Price” or similar

General

1.6.1 This Section covers comparisons with recommended retail prices, manufacturers’ recommended prices, suggested retail prices, suppliers’ suggested retail prices and similar descriptions. It also covers prices given to co-operative and voluntary group organisations by their wholesalers or headquarters organisations.

1.6.2 Do not use initials or abbreviations to describe the higher price in a comparison *unless*:

- (a) you use the initials “RRP” to describe a recommended retail price; or
- (b) you use the abbreviation “man. rec. price” to describe a manufacturer’s recommended price.

Write all other descriptions out in full and show them clearly and prominently with the price indication.

1.6.3 Do not use a recommended price in a comparison unless:

- (a) it has been recommended to you by the manufacturer or supplier as a price at which the product might be sold to consumers;
- (b) you deal with that manufacturer or supplier on normal commercial terms. (This will generally be the case for members of cooperative or voluntary group organisations in relation to their wholesalers or headquarters organisations); and
- (c) the price is not significantly higher than prices at which the product is generally sold at the time you first make that comparison.

1.7 Pre-printed prices

1.7.1 Make sure you pass on to consumers any reduction stated on the manufacturer’s packaging (eg “flash packs” such as “10p off RRP”).

1.7.2 You are making a price comparison if goods have a clearly visible price already printed on the packaging which is higher than the price you will charge for them. Such pre-printed prices are, in effect, recommended prices (except for retailers’ own label goods) and you should follow paragraphs 1.6.1 to 1.6.4. You need not state that the price is a recommended price.

1.8 References to value or worth

1.8.1 Do not compare your prices with an amount described only as “worth” or “value”.

1.8.2 Do not present general advertising slogans which refer to “value” or “worth” in a way which is likely to be seen by consumers as a price comparison.

1.9 Sales or special events

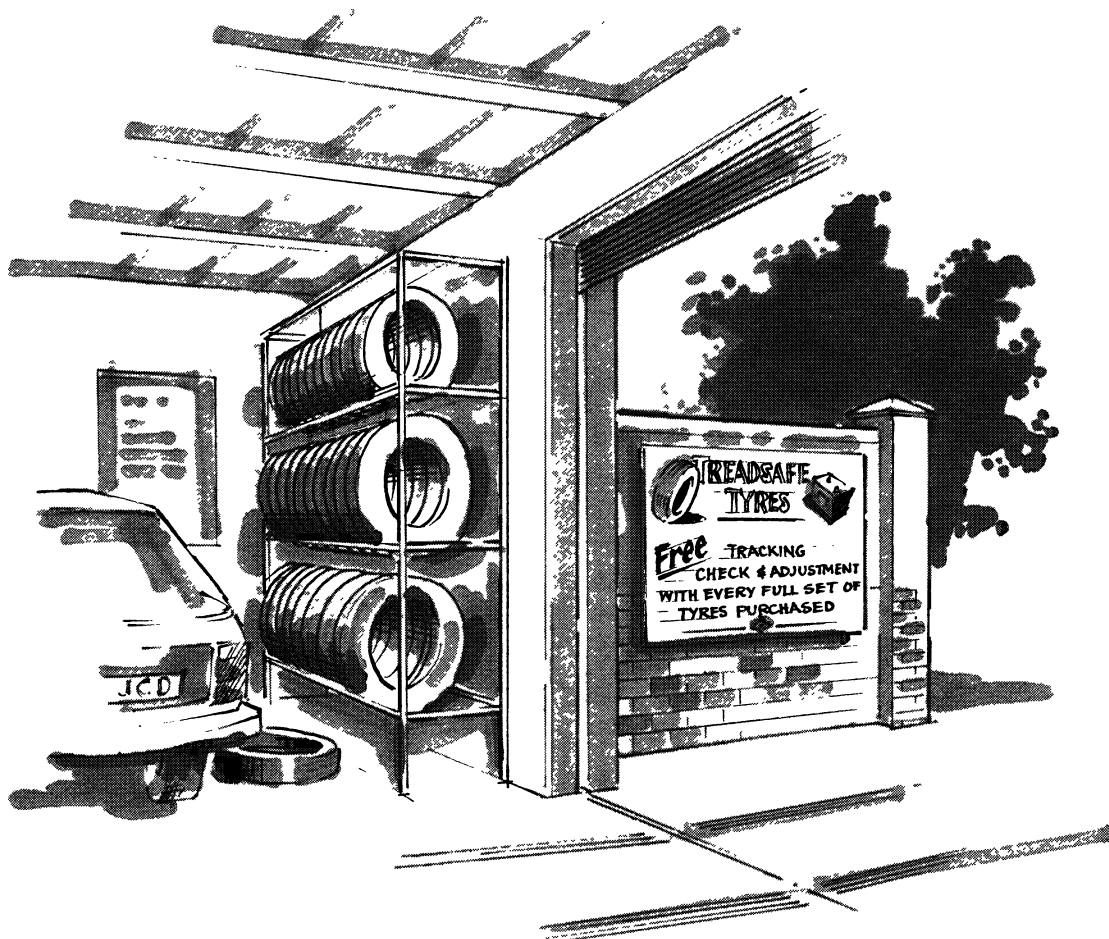
1.9.1 If you have bought in items specially for a sale, and you make this clear, you should not quote a higher price when indicating that they are special purchases. Otherwise, your price indications for individual items in the sale which are reduced should comply with section 1.1 of the code and whichever of sections 1.2 to 1.6 applies to the type of comparison you are making.

1.9.2 If you just have a general notice saying, for example, that all products are at “half marked price”, the marked price on the individual items should be your own previous price and you should follow section 1.2 of the code.

1.9.3 Do not use general notices saying, eg “up to 50% off” unless the maximum reduction quoted applies to at least 10% (by quantity) of the range of products on offer.

1.10 Free offers

1.10.1 Make clear to consumers, at the time of the offer for sale, exactly what they will have to buy to get the “free offer”.



1.10.2 If you give any indication of the monetary value of the “free offer”, and that sum is not your own present price for the product, follow whichever of sections 1.2 to 1.6 covers the type of price it is.

1.10.3 If there are any conditions attached to the “free

offer”, give at least the main points of those conditions with the price indication and make clear to consumers where, before they are committed to buy, they can get full details of the conditions.

1.10.4 Do not claim that an offer is free if:

- (a) you have imposed additional charges that you would not normally make;
- (b) you have inflated the price of any product the consumer must buy or the incidental charges (for example, postage) the consumer must pay to get the “free offer”; or
- (c) you will reduce the price to consumers who do not take it up.

Part 2: Actual price to consumer

2.1 Indicating two different prices

2.1.1 The Consumer Protection Act makes it an offence to indicate a price for goods or services which is lower than the one that actually applies, for example, showing one price in an advertisement, window display, shelf marking or on the item itself, and then charging a higher price at the point of sale or checkout.

2.2 Incomplete information and non-optional extras

2.2.1 Make clear in your price indications the full price consumers will have to pay for the product. Some examples of how to do so in particular circumstances are set out below.

Limited availability of product

2.2.2 Where the price you are quoting for products only applies to a limited number of, say, orders, sizes or colours, you should make this clear in your price indication (eg “available in other colours or sizes at additional cost”).

Prices relating to differing forms of products

2.2.3 If the price you are quoting for particular products does not apply to the products in the form they are displayed or advertised, say so clearly in your price indication. For example, advertisements for self-assembly furniture and the like should make it clear that the price refers to a kit of parts.



Postage, packing and delivery charges

2.2.4 If you sell by mail order, make clear any additional charges for postage, packing or delivery on the order form or similar document, so that consumers are fully aware of them before being committed to buying. Where you cannot determine these charges in advance, show clearly on the order form how they will be calculated (eg "Post Office rates apply"), or the place in the catalogue etc where the information is given.

2.2.5 If you sell goods from a shop and offer a delivery service for certain items, make it clear whether there are any separate delivery charges (eg for delivery outside a particular area) and what those charges are, before the consumer is committed to buying.

Value Added Tax

(i) Price indications to consumers

2.2.6 All price indications you give to private consumers, by whatever means, should include VAT.

(ii) Price indications to business customers

2.2.7 Prices may be indicated exclusive of VAT in shops where or advertisements from which most of your business is with business customers. If you also carry out business with private consumers at those shops or from those advertisements you should make clear that the prices exclude VAT and:

- (i) display VAT-inclusive prices with equal prominence, or
- (ii) display prominent statements that on top of the quoted price customers will also have to pay VAT at 15% (or the current rate).



(iii) Professional fees

2.2.8 Where you indicate a price (including estimates) for a professional fee, make clear what it covers. The price should generally include VAT. In cases where the fee is based on an as-yet-unknown sum of money (for example, the sale price of a house), either:

- (i) quote a fee which includes VAT; or
- (ii) make it clear that in addition to your fee the consumer would have to pay VAT at the current rate (eg "fee of 1½% of purchase price, plus VAT at 15%").

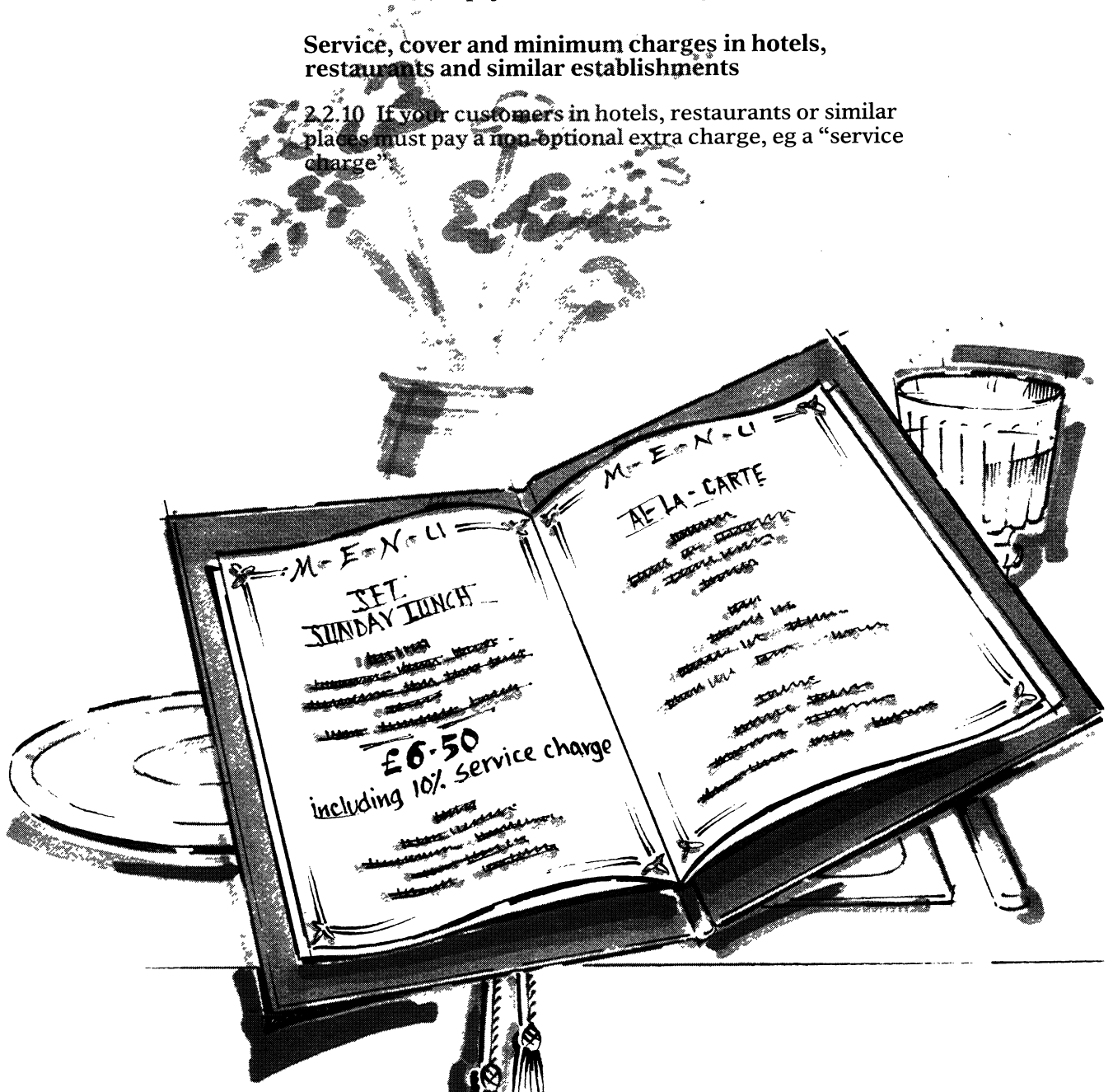
Make sure that whichever method you choose is used for both estimates and final bills.

(iv) Building work

2.2.9 In estimates for building work, either include VAT in the price indication or indicate with equal prominence the amount or rate of VAT payable in addition to your basic figure. If you give a separate amount for VAT, make it clear that if any provisional sums in estimates vary then the amount of VAT payable would also vary.

Service, cover and minimum charges in hotels, restaurants and similar establishments

2.2.10 If your customers in hotels, restaurants or similar places must pay a non-optional extra charge, eg a "service charge"



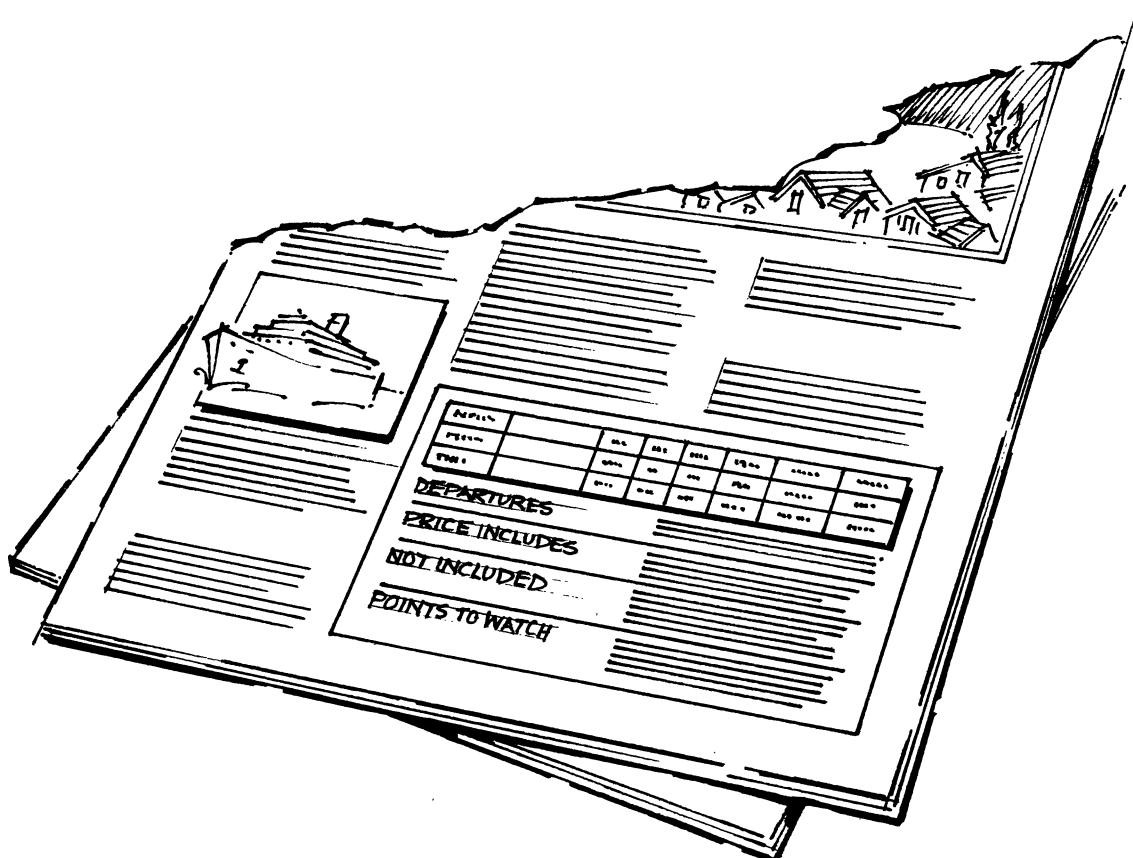
- (i) incorporate the charge within fully inclusive prices wherever practicable; and
- (ii) display the fact clearly on any price list or priced menu, whether displayed inside or outside (eg by using statements like “all prices include service”).

Do not include suggested optional sums, whether for service or any other item, in the bill presented to the customer.

2.2.11 It will not be practical to include some non-optional extra charges in a quoted price; for instance, if you make a flat charge per person or per table in a restaurant (often referred to as a “cover charge”) or a minimum charge. In such cases the charge should be shown as prominently as other prices on any list or menu, whether displayed inside or outside.

Holiday and travel prices

2.2.12 If you offer a variety of prices to give consumers a choice, (for example, paying more or less for a holiday depending on the time of year or the standard of accommodation), make clear in your brochure – or any other price indication – what the basic price is and what it covers. Give details of any optional additional charges and what those charges cover, or of the place where this information can be found, clearly and close to the basic price.



2.2.13 Any non-optional extra charges which are for fixed amounts should be included in the basic price and not shown as additions, unless they are only payable by some consumers. In that case you should specify, near to the details of the basic price, either what the amounts are and the circumstances in which they are payable, or where in the brochure etc the information is given.

2.2.14 Details of non-optional extra charges which may vary, (such as holiday insurance) or of where in the brochure etc the information is given should be made clear to consumers near to the basic price.

2.2.15 If you reserve the right to increase prices after consumers have made their booking, state this clearly with all indications of prices, and include prominently in your brochure full information on the circumstances in which a surcharge is payable.

Ticket prices

2.2.16 If you sell tickets, whether for sporting events, cinema, theatre etc and your prices are higher than the regular price that would be charged to the public at the box office, ie higher than the "face value", you should make clear in any price indication what the "face value" of the ticket is.

Call-out charges

2.2.17 If you make a minimum call-out charge or other flat-rate charge (for example, for plumbing, gas or electrical appliance repairs etc carried out in consumers' homes), ensure that the consumer is made aware of the charge and whether the actual price may be higher (eg if work takes longer than a specific time) before being committed to using your services.

Credit facilities

2.2.18 Price indications about consumer credit should comply with the relevant requirements of regulations under the Consumer Credit Act 1974 governing the form and content of advertisements.

Insurance

2.2.19 Where actual premium rates for a particular consumer or the availability of insurance cover depend on an individual assessment, this should be made clear when any indication of the premium or the method of determining it is given to consumers.

***P*art 3: Price indications which become misleading after they have been given**

3.1 General

3.1.1 The Consumer Protection Act makes it an offence to give a price indication which, although correct at the time, becomes misleading after you have given it, if:

- (i) consumers could reasonably be expected still to be relying on it; and
- (ii) you do not take reasonable steps to prevent them doing so.

Clearly it will not be necessary or even possible in many instances to inform all those who may have been given the misleading price indication. However, you should always make sure consumers are given the correct information before they are committed to buying a product and be prepared to cancel any transaction which a consumer has entered into on the basis of a price indication which has become misleading.

3.1.2 Do not give price indications which you know or intend will only apply for a limited period, without making this fact clear in the advertisement or price indication.

3.1.3 The following paragraphs set out what you should do in some particular circumstances.

3.2 Newspaper and magazine advertisements

3.2.1 If the advertisement does not say otherwise, the price indication should apply for a reasonable period (as a general guide, at least 7 days or until the next issue of the



newspaper or magazine in which the advertisement was published, whichever is longer). If the price indication becomes misleading within this period make sure consumers are given the correct information before they are committed to buying the product.

3.3 Mail order advertisements, catalogues and leaflets

3.3.1 Paragraph 3.2.1 above also applies to the time for which price indications in mail order advertisements and in regularly published catalogues or brochures should apply. If a price indication becomes misleading within this period, make the correct price indication clear to anyone who orders the product to which it relates. Do so before the consumer is committed to buying the product and, wherever practicable, before the goods are sent to the consumer.

3.4 Selling through agents

Holiday brochures and travel agents

3.4.1 Surcharges are covered in paragraph 2.2.15. If a price indication becomes misleading for any other reason, tour operators who sell direct to consumers should follow paragraph 3.3.1 above; and tour operators who sell through travel agents should follow paragraphs 3.4.2 and 3.4.3 below.

3.4.2 If a price indication becomes misleading while your brochure is still current, make this clear to the travel agents to whom you distributed the brochure. Be prepared to cancel any holiday bookings consumers have made on the basis of a misleading price indication.

3.4.3 In the circumstances set out in paragraph 3.4.2, travel agents should ensure that the correct price indication is made clear to consumers before they make a booking.

Insurance and independent intermediaries

3.4.4 Insurers who sell their products through agents or independent intermediaries should take all reasonable steps to ensure that all such agents who are known to hold information on the insurer's premium rates and terms of the cover provided are told clearly of any changes in those rates or terms.

3.4.5 Agents, independent intermediaries and providers of quotation systems should ensure that they act on changes notified to them by an insurer.

3.5 Changes in the rate of value added tax

3.5.1 If your price indications become misleading because of a change in the general rate of VAT, or other taxes paid at point of sale, make the correct price indication clear to any consumers who order products. Do so before the consumer is committed to buying the product and, wherever practicable, before the goods are sent to the consumer.

***P*art 4: Sale of new homes**

4.1 A “new home” is any building, or part of a building to be used only as a private dwelling which is either:

- (i) a newly-built house or flat, or
- (ii) a newly-converted existing building which has not previously been used in that form as a private home.

4.2 The Consumer Protection Act and this code apply to new homes which are either for sale freehold or covered by a long lease, ie with more than 21 years to run. In this context the term “trader” covers not only a business vendor, such as a developer, but also an estate agent acting on behalf of such a vendor.

4.3 You should follow the relevant provision of Part 1 of the code if:

- (i) you want to make a comparison between the price at which you offer new homes for sale and any other price;
- (ii) you offer an inclusive price for new homes which also covers such items as furnishings, domestic appliances and insurance and you compare their value with, for example, High Street prices for similar items.

4.4 Part 2 of the code gives details of the provisions you should follow if:

- (i) the new houses you are selling, or any goods or services which apply to them, are only available in limited numbers or range;
- (ii) the sale price you give does not apply to the houses as displayed; or
- (iii) there are additional non-optional charges payable.

EXPLANATORY NOTE

(This note is not part of the Order)

Section 25 of the Consumer Protection Act 1987 provides for the approval by the Secretary of State of a code of practice issued for the purpose of giving practical guidance with respect to the requirements of section 20 of the Act (which is concerned with misleading price indications) and promoting desirable practices in relation to the giving of price indications. A contravention of an approved code does not of itself give rise to civil or criminal liability but Section 25 of the Act provides that in proceedings for an offence under section 20(1) or (2) a contravention of a provision in an approved code may be relied on in relation to any matter for the purpose of showing that the person committed the offence or of negating any defence and compliance with a provision in an approved code may be relied on in relation to any matter for the purpose of showing that the commission of the offence has not been established or that the person concerned has a defence.

This Order approves the code of practice issued by the Secretary of State for the above purposes in the form in which it appears in the Schedule to the Order.

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