

Consumer rights if there's no Brexit deal

Summary

How consumers' rights would be protected if the UK leaves the EU with no deal.

Detail

If the UK leaves the EU in March 2019 without a deal, find out how this would affect:

- consumer protection and cross-border protection
- Alternative Dispute Resolution (ADR) and Online Dispute Resolution (ODR)
- package travel
- timeshare
- textile labelling
- footwear labelling

This notice provides guidance to businesses and consumers setting out the UK approach to the consumer legislative framework if the UK leaves the EU in March 2019 with no agreement in place. See Annex A for further details.

A scenario in which the UK leaves the EU without agreement (a 'no deal' scenario) remains unlikely given the mutual interests of the UK and the EU in securing a negotiated outcome.

Negotiations are progressing well and both we and the EU continue to work hard to seek a positive deal. However, it's our duty as a responsible government to prepare for all eventualities, including 'no deal', until we can be certain of the outcome of those negotiations.

For two years, the government has been implementing a significant programme of work to ensure the UK will be ready from day 1 in all scenarios, including a potential 'no deal' outcome in March 2019.

It has always been the case that as we get nearer to March 2019, preparations for a no deal scenario would have to be accelerated. Such an acceleration does not reflect an increased likelihood of a 'no deal' outcome. Rather it is about ensuring our plans are in place in the unlikely scenario that they need to be relied upon.

This series of technical notices sets out information to allow businesses and citizens to understand what they would need to do in a 'no deal' scenario, so they can make informed plans and preparations.

This guidance is part of that series.

Also included is an [overarching framing notice](<https://www.gov.uk/government/publications/uk-governments-preparations-for-a-no-deal-scenario>) explaining the government's overarching approach to preparing the UK for this outcome in order to minimise disruption and ensure a smooth and orderly exit in all scenarios.

We are working with the devolved administrations on technical notices and we will continue to do so as plans develop.

Purpose

This notice provides guidance to businesses and consumers setting out the UK approach to the consumer legislative framework if the UK leaves the EU in March 2019 with no agreement in place.

If the UK leaves the EU in March 2019 without a deal, find out how this would affect:

- consumer protection and cross-border protection
- alternative dispute resolution and online dispute resolution;
- package travel
- timeshare
- textile labelling
- footwear labelling

Consumer protection and cross border enforcement

Before 29 March 2019

EU consumer protection legislation ensures consumers across the EU can buy goods and services from other EU countries, knowing that the protections and safety standards are the same or similar in every EU Member State.

The consumer protection regime is supported by a reciprocal cross-border consumer enforcement framework and the civil judicial cooperation framework (covered in the Technical Notice on civil judicial cooperation). The former allows cooperation between EU Member State consumer enforcement authorities, and the latter provides access to redress for consumers when their rights have been breached. For example, if a UK consumer buys an item from an EU based trader and the item does not arrive or there is a problem, the UK consumer can use UK law and the UK courts for redress, and judgements will be recognised in the EU Member State in question. The frameworks include the ability for consumers to gain access to advice and guidance on their rights and who to contact in order

to make a complaint or take action through dispute resolution mechanisms to resolve issues.

After March 2019 if there's no deal

The government is taking steps to ensure that after exit UK consumers will retain the protections they currently have when buying from UK businesses. This means making certain changes in UK legislation through the EU Withdrawal Act to ensure that the law operates effectively after exit.

As the UK will no longer be a Member State, there may be an impact on the extent to which UK consumers are protected when buying goods and services in the remaining Member States. The laws of those states are similar but may differ in some areas to UK law both as respective laws evolve over time as well as due to differing levels of harmonisation between Member States in some areas. UK consumers will also no longer be able to use the UK courts effectively to seek redress from EU based traders, and if a UK court does make a judgement, the enforcement of that judgement will be more difficult as we will no longer be part of the EU. In addition, there will no longer be reciprocal obligations on the UK or EU Member States to investigate breaches of consumer laws or take forward enforcement actions.

The UK government will continue to work with the Scottish Government, Welsh Government and the Northern Ireland Civil Service to ensure the future consumer protection regime works across the UK.

Implications

UK consumers should not see any immediate differences in protection between UK law and that of EU Member States as UK and EU law is highly aligned. However consumers should always check the terms of consumer protection offered by the seller and the Member State the seller is located in to confirm if the level of protection is different from the UK level of protection. UK consumers would need to seek redress through the courts of that state rather than UK courts. For further help and advice UK consumers can continue to contact the UK's European Consumer Centre.

Actions for businesses and other stakeholders

Businesses selling into EU countries should keep apprised of any future changes in EU Member State laws.

More information

Explanatory Memoranda will be published during the autumn alongside the Statutory Instruments to make the necessary changes to UK legislation. This will provide further information on the UK government approach to the consumer legislative framework.

Alternative Dispute Resolution and Online Dispute Resolution

Before 29 March 2019

Alternative Dispute Resolution is a process that enables disputes between a consumer and business to be settled via an independent mechanism outside the court system. The Alternative Dispute Resolution procedures ensure that consumers have access to high quality, transparent, effective redress mechanisms, regardless of where they reside in the EU.

There is currently [guidance written by Chartered Trading Standards Institute](<https://www.tradingstandards.uk/media/documents/commercial/adr/adr-business-guidance-inc-odr-jan-2016.pdf>) which provides guidance to businesses. This is likely to be updated to reflect changes to the Online Dispute Resolution platform.

After March 2019 if there's no deal

In relation to Alternative Dispute Resolution the government is taking steps to ensure that consumers and businesses will still be able to use the Alternative Dispute Resolution process in the same way when buying and selling in the UK.

The UK government will continue to work with the Scottish Government, Welsh Government and the Northern Ireland Civil Service to ensure the future Alternative Dispute Resolution works across the UK.

The Online Dispute Resolution platform is run by the European Commission for Member States so the UK will no longer have access to the platform.

Implications

The obligations around Alternative Dispute Resolution for businesses will not change as a result of a no deal. However, UK-based Alternative Dispute Resolution organisations will no longer be required to act in cross-border disputes. UK competent authorities, who approve Alternative Dispute Resolution providers, will no longer be required to report to the European Commission on the status of their Alternative Dispute Resolution activity.

Consumers may no longer be able to use Alternative Dispute Resolution organisations to resolve their cross-border disputes.

Businesses and consumers will no longer be able to access and use the Online Dispute Resolution platform.

Actions for businesses and other stakeholders

Businesses should continue to provide Alternative Dispute Resolution as per their current obligations.

When purchasing goods and services from a Member State, consumers may wish to check the Member State's protection legislation prior to purchase.

Businesses should remove references to the Online Dispute Resolution platform from their websites.

UK consumers will be able to contact the UK's European Consumer Centre (ECCN) for help and advice. (The government has committed to funding the ECCN for one year (from April 2019 – March 2020) if no deal is reached in March 2019).

More information

An Explanatory Memorandum will be published during the autumn alongside the Statutory Instrument to make the necessary changes to UK legislation. This will provide further information on the status of alternative dispute resolution and the inoperability of online dispute resolution.

Package travel

Before 29 March 2019

The Package Travel and Linked Travel Arrangements 2018 Regulations (PTR 2018) requires, in line with the EU Directive, that the UK must accept insolvency protections put in place under the rules of the relevant Member State by traders established in other Member States. In turn, traders established in the UK benefit from recognition of their insolvency protection by other Member States.

After March 2019 if there's no deal

The insolvency protections remain the same for UK consumers buying a package holiday and/or a Linked Travel Arrangement from UK based traders. However, the mutual recognition element of insolvency protection will cease, as the mutual recognition requirements of the package travel Directive will not apply to the UK with the consequence that other Member States are unlikely to recognise the UK's insolvency protection.

In consequence, our exit Statutory Instrument will amend the PTR 2018 so that, after exit, EU traders selling packages or Linked Travel Arrangements in the United Kingdom, or directing such activities to the UK, will be required to comply with the insolvency protection requirements under the PTR 2018 (ATOL protection, insurance, trust fund or bond) in the same way as all other traders.

Implications

Consumers should therefore be protected when purchasing packages / Linked Travel Arrangements from those traders required to comply with the PTR 2018 insolvency protection requirements. However, it will not protect consumers who purchase packages from EU based traders which are not targeting business activities at the UK. As a result, consumers should ensure that they are provided with clear information, including on the applicable insolvency protection (if any), before their purchase. Furthermore, in practice, taking enforcement action against any seller based outside the UK is likely to be more difficult than is currently the case.

Consumers can continue to contact the UK's European Consumer Centre for help and advice.

Businesses should be aware that remaining Member States are unlikely to recognise UK insolvency protection. Traders may therefore need to comply with multiple insolvency regimes across the EU and will have to make themselves familiar with the regime of the country they are selling into.

Actions for businesses and other stakeholders

Providers will have to obtain insolvency protection in the Member State where they are established, rather than in each Member State where they do business. Therefore, travel providers will have to comply with multiple insolvency regimes across the EU and will have to make themselves familiar with the regime of the country they are selling into. EU-based organisers that actively market and sell packages in the UK will be required to comply with the UK insolvency protection rules.

No action is needed if buying from a UK based business. When consumers purchase travel from EU businesses they will be covered by the insolvency protection legislation of that Member State.

If a package travel organiser is not based in the UK, or does not direct its business to the UK, consumers should ensure that they are provided with clear information, including on the level of insolvency protection, before their purchase.

More information

An Explanatory Memorandum will be published during the autumn alongside the Statutory Instrument to make the necessary changes to UK legislation. This will provide further information on the UK package travel and Linked Travel Arrangements regime.

Timeshare

Before 29 March 2019

Currently, UK consumers are protected in the same way by the timeshare protections wherever they are buying their timeshare from in the EU, and wherever the timeshare property itself is based in the EU.

After March 2019 if there's no deal

The government is taking steps to ensure that the protections UK consumers currently have when buying timeshares remain the same if the contract is made under UK law.

Consumers that enter into a contract which is not governed by the law of the UK and instead is governed by the law of a Member State, will be subject to any timeshare protections offered to non-EU citizens by that Member State.

Implications

Consumers entering into contracts not governed by the law of the UK will be subject to the Member State's protections which could differ in each Member State depending on how that Member State has implemented the EU directive relating to Timeshare.

EU law specifies that timeshare contracts must be written in the language of the consumer's Member State. As the UK will no longer be a Member State, UK consumers will not be able to specify having the contract in English.

Actions for businesses and other stakeholders

UK businesses operating in the UK but selling timeshare based in EU Member States, may wish to stay apprised of UK and EU member state law.

Consumers interested in purchasing a timeshare should consider ensuring they understand the timeshare protection offered to them by the governing country of the contract.

More information

An Explanatory Memorandum will be published during the autumn alongside the Statutory Instrument to make the necessary changes to UK legislation. This will provide further information on the UK approach to timeshare.

Textile labelling

Before 29 March 2019

The current requirements to label or mark textile products with their textile fibre composition and indicate the presence of non-textile parts of animal origin in textile products are found in Regulation (EU) No 1007/2011 on textile fibre names and related labelling and marking of textile products.

The current process for approving new textile fibre names and manufacturing tolerances for the EU market under Regulation (EU) No 1007/2011 is carried out by the European Commission.

The Textile Products (Labelling and Fibre Composition) Regulations 2012 is a piece of UK law that provides UK enforcers with powers to investigate and carry out enforcement action against breaches of Regulation (EU) No 1007/2011.

After March 2019 if there's no deal

Regulation (EU) No 1007/2011 will be retained into UK law through the EU Withdrawal Act. It will then be amended to ensure it functions effectively. The requirements the retained regulation sets out will only apply to textile products when these are placed or made available in the UK market, rather than the EU.

The effects of these proposed amendments are as follows:

The requirements the retained regulation sets out will only apply to textile products when these are placed or made available on the UK market, rather than the EU.

The Secretary of State will be responsible for approving a new textile name or manufacturing tolerance for the UK market.

A UK Secretary of State will be able to modify, through secondary legislation, the same requirements of the regulation that the European Commission is currently able to modify through delegated acts. These requirements are as follows:

- the list of approved textile fibre names
- minimum requirements for the technical file submitted when a manufacturer applies for a new textile fibre name
- special provisions for the labelling and marketing of certain textile products such as corsets and embroidered textiles
- the list of textile products for which labelling or marking is not mandatory.
- the list of textile products for which inclusive labelling is sufficient set out in ANNEX VI of Regulation (EU) No 1007/2011 as retained into UK law.

- the list of items not to be taken into account for the determination of fibre composition
- the methods for the quantitative analysis of binary and ternary textile fibre mixtures
- the agreed allowances (testing tolerances) used to calculate the mass of fibres contained in a textile product

Implications

The requirements the retained regulation sets out will only apply to textile products when these are placed or made available on the UK market, rather than the EU.

Actions for businesses

The economic operator (usually a business or retailer) placing textile products on the UK market will be responsible for complying with the existing requirements to label or mark textile products with their fibre composition and as such should consider taking steps to ensure compliance.

Businesses wishing to introduce a new textile name or manufacturing tolerance should make their application to the Secretary of State.

More information

The government will publish guidance on the process for economic operators to apply for new textile fibre names and new manufacturing tolerances, and the process by which the Secretary of State will assess these applications.

An Explanatory Memorandum will be published during the autumn alongside the Statutory Instrument to make the necessary changes to UK legislation. This will provide further information on the labelling or marking textile products.

Footwear labelling

Before 29 March 2019

The Footwear (Indication of Composition) Labelling Regulations 1995 (the “1995 Regulations”) mandate a labelling system to provide symbols to inform consumers about the materials used in the main components of footwear. The 1995 Regulations also impose different legal obligations on the ‘responsible person’ (i.e. the manufacturer, their agent established in the Community, or the person who first makes the footwear available on the Community market) and the ‘retailer’.

The 1995 Regulations implement an EU Directive: Directive 94/11/EC of the European Parliament and of the Council of 23 March 1994 on the approximation of the laws, regulations and administrative provisions of the Member States relating to labelling of the materials used in the main components of footwear for sale to the consumer.

After March 2019 if there’s no deal

The definition of a ‘responsible person’ in relation to footwear products included in the 1995 Regulations will be changed to the following:

- the manufacturer (this has not changed from the 1995 Regulations);
- the manufacturer’s authorised agent established in the UK (instead of the EU)
- the person who first places the footwear on the UK market (instead of the EU market)

The obligations of the 1995 Regulations will only apply to footwear when they are placed on the UK market, rather than the EU market.

As a result of this amendment, some UK-based businesses previously only responsible for meeting the obligations of a ‘retailer’ will now have to meet the legal obligations of the ‘responsible person’ under the UK regulations. This will mostly affect retailers that sell footwear imported from an EU based business. See Footwear Regulations [here](<http://www.legislation.gov.uk/ukxi/1995/2489/contents/made>).

The impact of a UK-based retailer becoming a ‘responsible person’ is that they would become responsible for:

- the accuracy of the footwear label
- supplying the labelling to be conveyed upon the footwear

The obligations conferred on 'retailers' under the 1995 regulations are to ensure the footwear is labelled in accordance with the requirements of the 1995 Regulations when it is offered to sale for consumers – in practice this means ensuring a label is present.

Implications

The common labelling system for footwear will remain the same. However the responsibility for ensuring the accuracy of the labelling of footwear imported from the EU will, in future, fall to UK-based businesses.

Actions for businesses

All UK and EU businesses which know that they will begin placing footwear on the UK market once the UK exits from the EU should consider checking the presence and accuracy of footwear labels.

More information

An Explanatory Memorandum will be published during the autumn alongside the Statutory Instrument to make the necessary changes to UK legislation. This will provide further information on the legal responsibilities of manufacturers and retailers to indicate the main components of footwear.

This notice is meant for guidance only. You should consider whether you need separate professional advice before making specific preparations.

It is part of the government's ongoing programme of planning for all possible outcomes. We expect to negotiate a successful deal with the EU.

The UK government is clear that in this scenario we must respect our unique relationship with Ireland, with whom we share a land border and who are co-signatories of the Belfast Agreement. The UK government has consistently placed upholding the Agreement and its successors at the heart of our approach. It enshrines the consent principle on which Northern Ireland's constitutional status rests. We recognise the basis it has provided for the deep economic and social cooperation on the island of Ireland. This includes North-South cooperation between Northern Ireland and Ireland, which we're committed to protecting in line with the letter and spirit of Strand two of the Agreement.

The Irish government have indicated they would need to discuss arrangements in the event of no deal with the European Commission and EU Member States. The UK would stand ready in this scenario to engage constructively to meet our commitments and act in the best interests of the people of Northern Ireland,

recognising the very significant challenges that the lack of a UK-EU legal agreement would pose in this unique and highly sensitive context.

It remains, though, the responsibility of the UK government, as the sovereign government in Northern Ireland, to continue preparations for the full range of potential outcomes, including no deal. As we do, and as decisions are made, we'll take full account of the unique circumstances of Northern Ireland.

Norway, Iceland and Liechtenstein are party to the Agreement on the European Economic Area and participate in other EU arrangements. As such, in many areas, these countries adopt EU rules. Where this is the case, these technical notices may also apply to them, and EEA businesses and citizens should consider whether they need to take any steps to prepare for a 'no deal' scenario.

Annex A

Relevant legislation

Consumer Rights Act 2015 Parts 1 & 2

Provides essential contractual rights and remedies for consumers - covering the sale of goods, services and digital content to consumers by business; outlaws unfair terms in standard consumer contracts.

Consumer Rights (Payment Surcharges) Regulations 2012

Preserves essential consumer rights which prohibits traders in England, Wales, Scotland and NI from charging consumers more than the direct cost borne by the trader for the use of a given means of payment, for credit and debit cards. This will now only apply where the payment service provider is located in the UK.

Consumer Protection from Unfair Trading Regulations 2008

Sets the ground rules for business-consumer relationship by outlawing misleading and aggressive practices likely to affect transactional decision by the average consumer.

Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013

Regulates pre-contractual information for in-store, distance and off-premises contracts (goods and services); includes right to return goods sold at a distance and 14-day cooling-off period for off-premises contracts (right to cancel).

Crystal Glass (Description) Regulations 1973

Outlaws misleading application of specified descriptions to glass products and sets standard test for the fineness of glass.

Enterprise Act 2002– Consumers Part 8 and Schedule 13 & Schedule 5 Consumer Rights Act 2015

Sets a regime whereby enforcement authorities may apply to the courts for an injunction against infringements of domestic or EU legislation which harm the collective interests of consumers.

Regulation (EC) No 2006/2004 on Consumer Protection Cooperation

Sets out co-operation and enforcement framework to allow national authorities from all EU to jointly address breaches of consumer rules when the trader and consumer established in different countries.

Alternative Dispute Resolution and Online Dispute Resolution

This notice provides guidance to businesses and consumers on the implications of EU exit on the status of alternative dispute resolution and the inoperability of online dispute resolution following the UK's departure from the EU, in a no-deal scenario.

The notice covers changes to the following legislation:

Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015 (as amended)

Regulates the setting of an Alternative Dispute Resolution infrastructure, including a national single point of contact via the recognition by competent authorities of Alternative Dispute Resolution providers.

Regulation Online Dispute Resolution (ODR) for consumer disputes - Regulation (EU) No 524/2013

Provides for the establishment by the European Commission of an Online Dispute Resolution platform.

Package Travel

This notice provides guidance to businesses and consumers on the implications of a no deal EU exit in respect of UK Package travel and Linked Travel Arrangements regime.

This notice covers changes to the following legislation:

Package Travel Regulations (The Package Travel and Linked Travel Arrangements Regulations 2018)

Regulates information provision, contractual rights, trader liability and consumer protection against organiser insolvency.

Timeshare

This notice provides guidance to businesses and consumers setting out the UK approach to timeshare if the UK leaves the EU in March 2019 with no agreement in place. The notice provides guidance on changes to the following legislation:

Timeshare, Holidays, Resale and Exchange Contracts Regulations 2010

Provides for extensive pre-contractual information, bans accepting any payment prior to end of 14-day cooling-off period and provides for annual choice to renew long-term holiday product contracts.

Textile labelling

This notice provides guidance to businesses about changes to the legal requirements regarding labelling or marking textile products with their textile fibre composition and an indication of the presence of non-textile parts of animal origin e.g. fur or feathers.

It also seeks to inform business how current EU processes for approving new textile fibre names and manufacturing tolerances will be repatriated to the UK.

The notice provides guidance on changes to the following legislation:

Textile Products (Labelling and Fibre Composition) Regulations 2012
Provides for domestic enforcement of the above Regulation (EU) No 1007/2011.

Footwear labelling

This notice informs businesses about changes to the legal responsibilities of economic operators (manufacturers and retailers) to indicate the main components of footwear.

The notice provides guidance on changes to the following legislation:

Footwear (Indication of Composition) Labelling Regulations 1995
Requires labelling of footwear as to its composition through the use of pictograms by the importer to the EU or the manufacturer if in the EU.