

# A COMMON SALES LAW FOR EUROPE: FACTSHEET FOR UNITED KINGDOM

## What is the problem with cross-border sales and purchases in the UK?

**UK consumers** are not fully benefitting from the EU's Single Market.

- At present, only 9% of British consumers buy online from other EU countries, while 53% do so in the UK.
- Legal barriers mean businesses sometimes refuse to sell to consumers living abroad – around 3 million European consumers are affected each year in the EU, and nearly 310,000 of them are in the UK.

**UK companies** are not taking advantage of the full potential of the EU's Single Market.

Business-to-consumer transactions (B2C)	Business-to-business transactions (B2B)
64% of British retailers (EU: 55%) active or interested in selling to consumers outside their national market said they were held back by a range of <b>contract-law related obstacles</b> :	50% of British businesses (EU: 49%) active or interested in selling to businesses outside their national market named a variety of <b>contract-law related obstacles</b> as a barrier to cross-border trade:
Complying with <b>different consumer protection rules</b> abroad 52% (EU: 38%)	Obtaining <b>legal advice</b> on foreign contract law 39% (EU: 31%)
<b>Finding out</b> about foreign contract law 45% (EU: 40%)	<b>Finding out</b> about foreign contract law 36% (EU: 35%)
Obtaining <b>legal advice</b> on foreign contract law 45% (EU: 35%)	<b>Agreeing on which contract law</b> should apply 36% (EU: 30%)
Solving cross-border <b>contractual disputes</b> 42% (EU: 34%)	Resolving <b>cross-border disputes</b> 31% (EU: 32%)
<b>49% (EU: 71%) of British businesses said they would use a single EU contract law</b> for cross-border sales to consumers.	<b>44% (EU: 70%) of British traders would use a single EU contract law</b> for cross-border transactions with businesses.



## Improvements for UK consumers:

- The Common European Sales Law will encourage consumers to buy across borders by offering them a set of rights that ensure a high level of consumer protection, especially when buying online.
- It will increase the goods and services that are on offer. With businesses competing on a broader market, the consumer will have more choice of goods at lower prices.
- Under the Common European Sales Law, if a business fails to deliver the goods, a consumer can require the business to do so. Such a general right does not exist in the UK: courts will almost invariably offer a financial compensation to the consumer instead of imposing the delivery of the goods. In certain circumstances, this is less convenient and effective for the consumer as he will have to look for another seller of the same good, at the same conditions and conclude a new transaction.
- Under the Common European Sales Law, British consumers making a purchase under the Sales Law have more certainty when a trader makes a statement about a product before purchase. This will become part of the contract and the seller will be obliged to honour the obligation deriving from that statement. Current UK law does not provide the same legal certainty.

## Improvements for UK companies, particularly small firms:

- At a time when Europe is recovering from a deep economic and financial crisis, the EU must do all that it can to help remove unnecessary costs and expand opportunities for business to export into new markets.
- British businesses exporting to new markets can rely on a comprehensive set of identical contract law rules that they can use no matter where they trade in the EU.
- Under the Common European Sales Law, in business-to-business deals, firms will benefit from clearer information about the main characteristics of goods and services they can expect to receive before concluding a contract. If the required information is missing, the firm could have the right to avoid the contract or even obtain damages. Existing UK provisions do not give such a direct right to information before the contract is signed.
- Under the Common European Sales Law, smaller firms are strengthened in cases where a business imposes unfair terms or conditions in a contract. If a large company uses terms which grossly deviate from good commercial practice and are contrary to good faith, the other party will not be bound by them. Existing UK law does not contain such a control of unfair standard contractual terms.