Harrison Business & Economics

EEL: Legal factors

# OVERVIEW

Legal factors include legislation and regulation made by the UK Parliament, regional bodies and the EU. These laws are generally put in place to protect those with weaker bargaining power e.g. individual consumers purchasing from businesses, individual employees working for businesses, by reducing the possibility of a business exploiting these individuals. The result should be a level playing field for businesses and a fairer, more predictable environment.

# The main laws you need to explain:

|  |  |  |
| --- | --- | --- |
| **Consumer Protection**  **Competition Policy**  **Data Protection** | **Employment and anti-discrimination law**  **Minimum Wage**  **Health and Safety** | **Company law**  **Intellectual Property** |

Changes to the law can restrict business behaviour and increase costs, however, it can also create business opportunities.

# CONSUMER PROTECTION NOTES

* **Consumer Rights Act 2015** (supercedes Sale of Goods Act 1979)

**Goods**: all products must be of satisfactory quality, fit for purpose and as described. If not, consumers are entitled to reject it within 30 days for a full refund and have rights to repairs / replacement after 30 days

**Services**: the service must be performed with reasonable care and skill, and any information said or written can be relied on by the consumer. If not, the services must be re-done or the consumer can claim a price reduction.

<http://www.which.co.uk/consumer-rights/regulation/consumer-rights-act>

* **Consumer Protection from Unfair Trading Regulations 2008**

The Regulations protect consumers from unfair or misleading trading practices and aggressive sales tactics, businesses can’t leave out important information or make false claims.

<http://www.which.co.uk/consumer-rights/regulation/consumer-protection-from-unfair-trading-regulations-2008>

* **Consumer Contracts Regulations 2013** (supercedes Distance Selling Regs)

Businesses must display refund policy, return policy delivery and right to cancel, consumers can cancel an order up to 14 days after receiving it

<https://www.gov.uk/online-and-distance-selling-for-businesses/overview>

* **Consumer Protection Act 1987**

Businesses are liable for any defective products that cause damage, death or personal injury – consumer has rights to compensation

<http://www.which.co.uk/consumer-rights/regulation/consumer-protection-act-1987>

* **Weights and Measures Act 1985**

Businesses must sell goods in metric quantities (with exceptions e.g. a pint of beer) and must label goods with the quantities

* **Trade Descriptions Act 1968**

It is an offence for a trader to make false or misleading statements about goods or services. It carries criminal penalties and is enforced by Trading Standards Officers

* **Data Protection Act 1978**

This Act relates to online sales, mailing lists etc and makes companies responsible for storing any personal data securely, accurately and only for specific purposes.

<http://www.bbc.co.uk/webwise/guides/data-protection-act>

|  |
| --- |
| RESEARCH TASK  What is Minimum Wage?  What impact has it had on the care homes industry in the UK?  How has the industry responded? |

****Legal Case Study: Wild Wood

In 2014, Wild Wood opened in Stoke Park in Guildford. This is a treetop adventure course for adults, kids and corporate groups. The company employs managers and staff to run the site, which also includes a cafe selling drinks and snacks for those taking part and spectators.

The company will need to have considered a number of laws in starting up and running the business. For each of the areas of law listed below, please explain:

* *What the law is (in summary)*
* *Purpose of the law (why it was brought in)*
* *How it applies to Wild Wood (impact on and implications for the business)*

Areas of law to consider:

|  |
| --- |
| **Consumer laws** (including consumer protection and data protection)  *Summary of the law*  *Purpose of the law*  *Impact on Wild Wood* |
| **Employment rights** (including anti-discrimination)  *Summary of the law*  *Purpose of the law*  *Impact on Wild Wood* |
| **Health and safety**  *Summary of the law*  *Purpose of the law*  *Impact on Wild Wood* |
| **Competition**  In the market for high ropes adventure sites, Go Ape could be considered Wild Wood’s main competitor. In 2014, Go Ape owned 28 sites in the UK, with a revenue of £18.2 million and 820,000 visitors in that year. Assuming that Go Ape has a market share of over 50% of the ‘high ropes adventure sites’ market\*, if Wild Wood wanted to merge with Go Ape, provide *a summary of competition law* in relation to unfair competition/market dominance and mergers, and *explain why the law exists and impact on and implications for* Go Ape / Wild Wood.  \*Market share statistics are unknown so fictitious data given  *Summary of the law*  *Purpose of the law*  *Impact on Wild Wood* |

**Company Law: Notes on process for removing a director**

**Evaluate the impact of legislation on Sports Direct and its stakeholders**

**Conclusion:**

**Which stakeholders are impacted the most? OR**

**Who are the main winners and losers?**

**Justify your answer**

|  |
| --- |
| *ADD YOUR OWN NOTES HERE* |
|  |