

written examination

Unit 1: Regulatory Environment and Enforcement

September 2022

Guidance for this examination

Please ensure that you indicate clearly, at the top of the answer booklet, the law viewpoint from which you will be answering: English, Scottish or Welsh.

The examiners may expect candidates to show knowledge of legislation which is in place but not in force (i.e. has been enacted) and regulations which have been made but are not yet in force, if they are directly relevant to the subject-matter of the examination.

Examination structure

There are two sections to the examination paper:

Section A Consists of six questions.
Candidates should attempt to answer three questions.
Total allocation of marks is 30 marks.
Suggested time allocation is 30 minutes.

Section B Consists of four questions.
Candidates should attempt to answer two questions.
Total allocation of marks is 70 marks.
Suggested time allocation is 90 minutes.

Total time allowed – two hours (plus ten minutes' reading time).

Note:

The Regulatory Environment and Enforcement

Section A

Candidates should attempt to answer three questions.

Each question carries ten marks.

Total: 30 marks.

1. Explain the ways in which terms can be implied into a contract, and provide practical examples or case law to illustrate your answer. (10 marks)

2. One of the remedies available for a misrepresentation is rescission of the contract. Explain what this term means and the circumstances in which the right to rescind the contract can be lost. (10 marks)

3. What conditions must be met in order for the following rights under, the Consumer Rights Act 2015, to apply?
 - (a) Right to pay a reasonable price for a service. (6 marks)
 - (b)

Section B

Candidates should attempt to answer two questions.

Each question carries 35 marks.

Total: 70 marks.

7. On Saturday, Chris sees an advertisement on the internet stating: "Second-hand fitness watch for sale. Seeking offers of £100 or more. If interested, please contact us at clearance@watches.com". Chris emails the business later that day and offers to pay £90 for the watch. Beth, the Sales Manager, responds to Chris's email and says she will only sell it for £100 and no less. She says that if Chris is willing to pay £100 for it, he can have it. On Sunday morning, Chris emails Beth and agrees that he will pay £100 and asks when he can collect the watch. Watches.com is not open on a Sunday, so Beth does not see this email until 10 o'clock on Monday morning.

In the meantime, on Sunday afternoon, Beth plays football for a local team. Whilst there, she starts talking to one of the other players, Claire, who is in the market for a fitness watch. Beth tells her that they have one for sale at her work. Claire agrees to come into the shop on Monday morning when it opens to collect and pay for the watch, which she then does.

After the sale, Beth checks her emails and sees Chris's email agreeing to pay the £100. She emails him to explain that she has sold the watch to someone else that very morning, before she saw his email. Chris believes that they had a contract from the time he sent his email on Sunday and that they should not have sold the watch to someone else.

9. A local businessman, Ben, has recently opened a shop selling clothing items and asks you to visit him to provide advice.

Ben gives you a brief tour of the shop but advises you to be careful as you approach the changing rooms, as there is some building work happening in that part of the shop. The floor is uneven and some of the changing rooms have debris from the ceiling in them. Ben tells you not to worry as he has put up a notice at the far end of the changing rooms stating: "Use of the changing rooms whilst building work is ongoing is at your own risk. We take no responsibility for any personal injury".

Whilst you are there, a customer, Laura, comes in to complain about some jeans that she has purchased from the shop. Laura says that she bought the jeans two weeks ago and paid £25 for them in the sale. The stitching has started to come away from the sides of the jeans and Laura thinks that they are faulty. Ben takes a closer look at the jeans and shows you the receipt. On the back it states: "No refunds or exchanges accepted on items purchased in the sale".

Whilst in the changing room, Laura trips on a piece of building rubble and hurts her ankle. She hobbles out of the changing room in agony and threatens to sue Ben. He points at the sign and says she should be more careful, but agrees to pay for a taxi to the hospital for her, where they confirm that she has broken her ankle.

Apply contract law, the Consumer Rights Act 2015 and the law of negligence/delict to the above scenario. Advise Ben on any rights and remedies to which Laura may be entitled and the legality and effects (if any) of the notices in the changing room and on the back of the receipt.

(35 marks)

10. Answer all parts:

- (a) Explain what Alternative Dispute Resolution (ADR) means, and identify the different types of ADR available and discuss whether it is compulsory for businesses to be a member of an ADR scheme. (12 marks)
- (b) Describe five benefits for businesses who use an ADR scheme. (10 marks)
- (c) Outline the information requirements for businesses set out in The Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015, and when and how this information needs to be provided to consumers. (13 marks)

(total: 35 marks)

Section B total of 70 marks.

END OF EXAMINATION PAPER.