



# HEY. A Guide to Regulations & Compliance



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# Contents

<b>1. Introduction</b>	<b>3</b>
<b>2. Case Study: Think Cloud</b>	<b>4</b>
<b>3. Regulatory Overview for Business Start-ups</b>	<b>6</b>
<b>4. Business Set-up</b>	<b>7</b>
4.1 Bringing a New Product to Market	8
4.2 Creating a Company Brand and Trademarks	9
<b>5. Getting Ready to Trade</b>	<b>10</b>
5.1 Business Registration & Incorporation	11
5.2 Shareholder Agreements	11
5.3 Licence to Occupy / Lease	11
5.4 Legal Notices / Polices	12
5.5 Contracts	12-13
5.6 Business Insurance	14
5.7 Health, Safety & the Environment	15
<b>6. Trading within the Law</b>	<b>16</b>
6.1 Consumer Protection from Unfair Trading	17
6.2 Consumer Protection Rights	18
6.3 Distance and Online Selling	18
6.4 Data Protection Compliance	19
6.5 Food Safety Regulations	20-21
<b>7. Templates</b>	
7.1 Health & Safety Risk Assessment	22

# 1. Introduction

This guide has been designed to assist you to identify many of the regulations and laws that may affect your business at key stages of your business start-up and early development journey. It provides an essential overview of the laws and regulations that you need to be aware of and it signposts you to online information sources that will help you to understand the details so that you can comply with them.

The guide follows three key stages of business start-up, namely:

- Business Set-Up
- Getting Ready to Trade
- Trading within the law

It highlights key activities involved at each of these business development stages and identifies a selection of laws that govern these activities, drawing your attention to them so that you can read up on the detail and discover just what is needed to comply with them.

Please refer to the accompanying topic guides to assist you to explore and understand a range of related business topics.

**Intended Readers:**

This guide is primarily aimed to assist individuals who are thinking about starting their first business venture and/or those who have just started to trade and want to ensure that they are aware of the laws that affect their business and how to comply with them.

By reading the explanations provided and following the website links contained in the guide, you should be able to gain important information and insights about the many and varied laws that are in place governing much of the activities involved in establishing and running a business in the UK. The knowledge and understanding you gain from the time and effort you put into learning about these laws and how to comply with them, will better prepare you to successfully navigate your way through the challenges of setting up and building a successful and profitable business.

It is recommended that you read around the topic area when using this guide to further broaden your understanding of business development and governance. You should also consider speaking to a professional business advisor, competent legal professional, solicitor and/or lawyer who can answer any specific questions you may have.

**Other Guides in the Series:**

- [A Guide to Business Planning](#)
- [A Guide to Financial Forecasting \(Cash Flow\)](#)
- [A Guide to Bookkeeping & Basic Accounts](#)
- [A Guide to understanding your Target Market \(Market Research\)](#)
- [A Guide to developing a Sales & Marketing Plan](#)
- [A Guide to the Marketing Mix \(Media Channels\)](#)
- [A Guide to Branding](#)

## 2. Case Study: Think Cloud

**“You can share the work and make sure that adhering to regulations and being on top of any changes become part of somebody’s day-to-day duties. Having trusted partners and delegating is the key.”**

**Scott Clark**  
Think Cloud

**Regulations weren’t a priority when Scott Clark launched his IT support business, Virtual Networking, in the back bedroom at his parents’ house. But a growing business brings greater responsibility.**

The focus was on insurance when, two years after the launch, the business moved into commercial premises in 2005 – and it sharpened when the floods hit in 2007 and the nearby A63 was under water.

Scott said: “We had to upgrade our insurance cover because we had a minimal start-up policy and the contents cover wasn’t enough for our stock and our own equipment. Thankfully we weren’t flooded!”

Scott had also recruited his first member of staff. As the team grew so did the need to insure for professional indemnity, public liability and employer liability. Sub-contractors provided invaluable advice when cable installations for customers brought the need to carry out risk assessments.

The business had to carry out a fire risk assessment when it relocated in 2014 to offices at Melton. When the creation of Think Cloud in 2018 necessitated a move to The Deep Business Centre, home to more than 40 other businesses and over 200 people, the time came to appoint a dedicated individual to manage the fire risk assessment process

By then the company had already met the requirements to have someone trained in First Aid and had adopted a health and safety policy – a mandatory step if you have five or more employees.

In addition to the general regulations affecting any business there are others specific to Think Cloud’s general IT work and to individual projects.

GDPR is strictly adhered to within Think Cloud but signs of complacency have been detected in the wider business world.

Scott said: “Some businesses just get a policy off the internet and don’t actually do the things they need to do. We review the requirements with our clients and make sure they live to the policies.

“Personal identifiable information is at the heart of it but some companies don’t know what data they are storing, where they are storing it and who has access. Things like pay slips, CIS cards, driving licences, email lists, CVs... a lot of the time people keep everything on their computer just in case!”

That links directly to the growing prevalence of cyber crime and the Cyber Essentials accreditation – a requirement for any business working in a public sector supply chain. Think Cloud were one of the first IT companies in the region to achieve the standard, on their way to the more advanced Cyber Essential Plus.

And when your staff work from home the regulations usually follow them. The increase in remote working has heightened the risk of cyber-attacks, and employers must also be mindful of other issues, such as the need to ensure staff are working safely, with sufficient equipment at home and with screens and chairs set at the right position.

But an expanding team can also provide the solution.



### 3. Regulatory Overview for Business Start-ups

Starting a business requires a great many things to be put in place in a relatively short period of time, which can make the process hectic. Ideally you want to have everything in place as soon as possible but this is simply not realistic or achievable in most cases, so requires a staged approach that initially involves putting the essentials in place for each key stage in the development of your new start up business to ensure you are compliant with the many regulations and laws that may affect you. This approach should enable you to start trading relatively quickly and allows you to strengthen and further refine your compliance over time.

Using a legal checklist for each key stage in your business start-up journey could also help you to avoid falling into the kinds of traps that we often see businesses falling into before the business owners start looking for guidance and advice.

This guide uses the following key business development stages to demonstrate a staged approach to understanding and complying with the rules, regulations and laws that effect setting up and running a business in the UK:

- Business Set-Up
- Getting Ready to Trade
- Trading within the law

As you commence your business start-up journey, as an entrepreneur, it will soon become very visible to you that the whole area of business and commerce in the UK is densely packed with rules, regulations and laws, pretty much every activity you undertake is likely to have some sort of regulatory and/or legal restriction effecting it in some way or another.

It is important for you to remember that "Ignorance is No Defence in Law". In simple terms, this means that you claiming that you were not aware of a particular law or regulation (and therefore not complying with it) will not protect you from receiving the penalties and fines due to be paid for non-compliance. The responsibility remains firmly with you to investigate, understand and comply with all the laws and regulations that effect you, your business and everyone involved with it.

### 4. Business Set-up

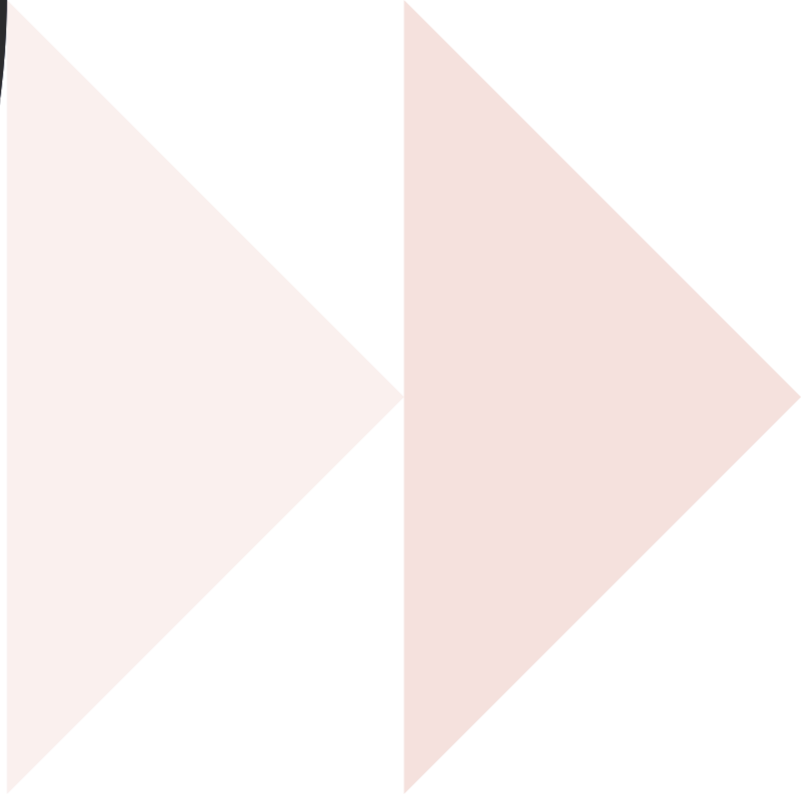
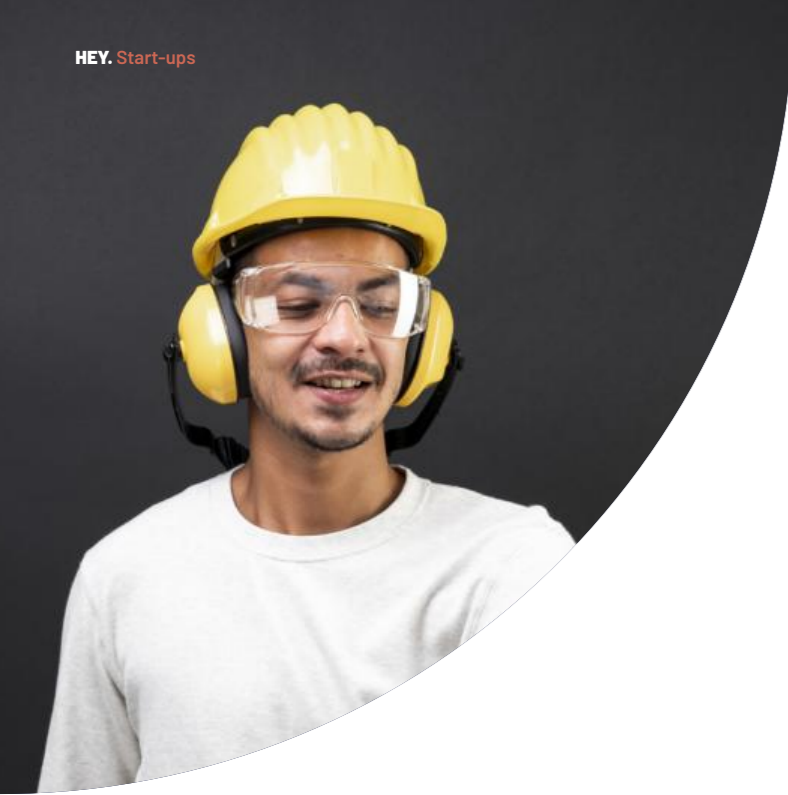
Starting your first business can be a very exciting time. It can involve lots of idea generation, market research and testing as well as putting plans in place to help you to build the many foundation blocks that your business will need, if it is to operate successfully and within the law. These building blocks will be different, depending on your business idea and the products and services you plan to bring to the market.

In this chapter, we will be looking at the rules and regulations that might be applicable to you when performing some of the key activities that are undertaken at the earliest stages of a business start-up when you are researching the market, testing your idea, developing a new product and creating your branding and other intellectual property assets, namely:

- Bringing a New Product to Market
- Creating a Company Brand and Trademarks

The regulations and legislation associated with the above business set-up activities are outlined below so that you can start your learning journey and take the steps required to meet your compliance obligations.





### 4.1 Bringing a New Product to Market

There are numerous regulations and applicable UK legislation governing the design and supply of products intended for the UK market. The UK has now left the European Union (EU) and some rules and procedures have changed as from 1st January 2021.

To find out which regulations may apply to your new product then start your search in section 6 of the Health and Safety at Work Act ... (1974), see link below:

<https://www.hse.gov.uk/work-equipment-machinery/uk-law-design-supply-products.htm>

Products intended for the UK market must comply with the requirements of all applicable UK legislation, including those listed below:

- Supply of Machinery (Safety) Regulations
- Electrical Equipment Safety Regulations
- Lifts Regulations
- Pressure Equipment Regulations and Simple Pressure Vessels (Safety) Regulations
- Equipment and Protective Systems Intended for Use in Potentially Explosive Atmospheres Regulations
- Gas Appliances (Supply) and Enforcement Regulations
- Cableway Installations Supply and Enforcement Regulations
- The Explosives Regulations 2014 (Amendment) Regulations 2016
- Pyrotechnic Articles (Safety) Regulations
- Personal Protective Equipment (Supply) and Enforcement Regulations
- Electromagnetic Compatibility Regulations
- Construction Products Regulations

- Medical Devices Regulations
- Noise Emission in the Environment by Equipment for use Outdoors Regulations
- Non-Road Mobile Machinery (Emission of Gaseous and Particulate Pollutants) Regulations
- Radio Equipment Regulations
- General Product Safety Regulations
- Toys (Safety) Regulations
- Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment Regulations
- Ecodesign for Energy-Related Products Regulations

Most new products come within the scope of one or more of the above product regulations. It should also be noted that there has been a change in the product certification marking system in which UKCA marking is required (instead of CE marking) for products to be placed on the market in the UK. However, products in conformity with relevant European product supply legislation and correctly bearing the CE marking will, until 31st December 2022, be treated as satisfying the requirements of the relevant UK legislation and need not bear UK marking.

### 4.2 Creating a Company Brand and Trademarks

When starting a business, you are likely to find that you will be generating lots of intellectual property during the setting up stage of developing your business. Intellectual property (IP) refers to creations of the mind, such as inventions; literary and artistic works, designs, symbols, names and images used in commerce. Intellectual property (IP) is protected in law enabling people to earn recognition or financial benefit from what they invent or create.

It's your responsibility to defend your intellectual property (IP) and to take action if someone's used it without permission, this is known as 'infringement'. However, it is also important that you do not use anyone else's IP and infringe something that is already protected so you will need to check out your branding and the other intellectual property you have created before you use it.

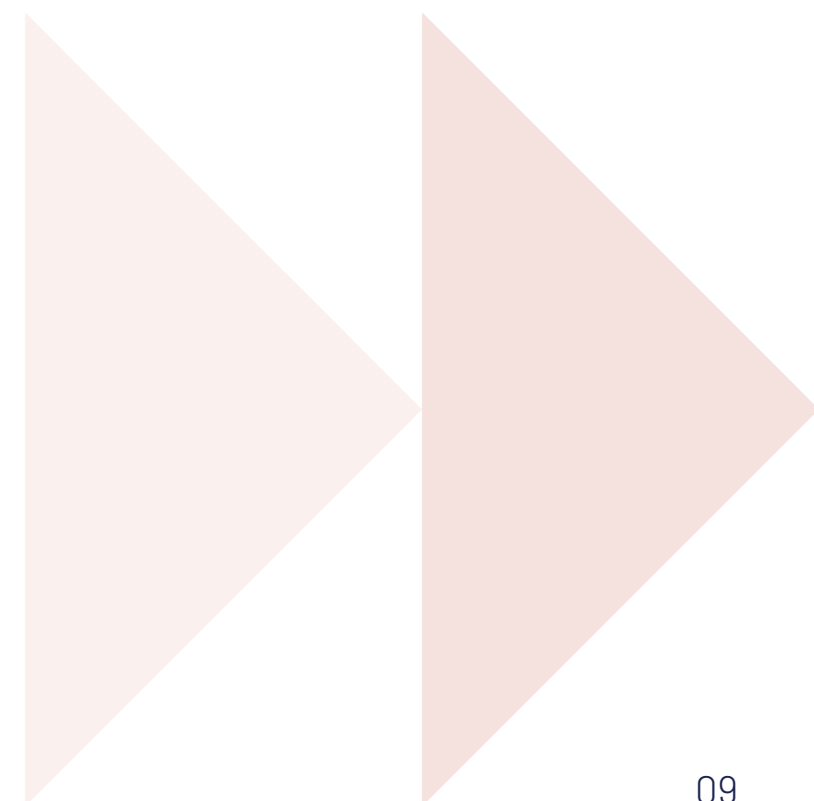
Examples of IP infringement include when someone:

- uses, sells or imports a patented product or process
- uses all or some of the work protected under copyright without permission
- make, offer or sell a registered design for commercial gain
- uses a registered trade mark that's identical or similar to one you've created

Once you have completed your checks and confirmed that you are not infringing anyone else's IP, then get your intellectual property protection in place by registering it. You may need to seek professional advice to help you with this. There is help available with searching and protecting IP at the Business & Intellectual Property Centres (BIPC) within the regions network of libraries or visit the Intellectual Property Office (IPO) at the link below:

<https://www.gov.uk/government/organisations/intellectual-property-office>

You should also consider having a Non-Disclosure Agreement (NDA) ready to send to individuals / other businesses. It's unlikely you will find investors right at the beginning but if you have built an exciting product then you may be able to find investment rapidly and you should put an NDA in place with potential investors before you start discussions.



# 5. Getting Ready to Trade

Once you have got a clear business idea and checked that there is a strong market for it, you will be able to move to the next stage of the business start-up journey, namely getting ready to trade.

By now you should have made good progress with the development of key business building blocks for example, the development of the products you plan to sell is being done so as to become fully compliant with the required regulations / legislation, tested, certified and able to be UKCA marked for use in the UK marketplace. Another building block would be that your business name, logo's, branding and other trademarks and intellectual properties are confirmed not to infringe someone else's protected intellectual property and are in the process of being registered / protected themselves.

In this chapter, we will be looking at the rules and regulations that might be applicable to you when performing some of the key activities that are undertaken when preparing your business to start to trade, these activities include:

- Business Registration & Incorporation
- Shareholder Agreements
- Licence to Occupy / Lease
- Notices & Policies
- Contracts
- Business Insurance
- Health, Safety and the Environment

When setting up and getting your business ready to trade, you will be involved in many discussions that result in agreements being made that you later come to rely on, as do the other parties in the agreements made. It is very prudent to take the time out to put the details of these agreements down on paper and get all the parties to sign up to them to avoid problems later on. Providing evidence of each agreement made in a legally binding contract can help you to build your business in a more robust and stable way. This can reduce the risk of other parties to an agreement being tempted not to honour the agreement or seek to interpret it differently so as to wriggle out of commitments they may have made when the agreement was negotiated. It is always a good idea to have any contracts checked over by a legal professional, solicitor or lawyer to make sure that each contract covers all the relevant clauses required and that it would be enforceable in a court of law. Many business people are tempted to use a contract template only to find at a later date that it was weak or even not enforceable in court.

Another thing to note with the use of business contracts and other legal documents is that they tend to be used as a last resort to remedy an issue or problem, especially where there may be a dispute with a customer over product quality or payment terms. Successful businesses are mostly built on relationships, 'people buy people' and become loyal to a brand because they know, like and trust that business

/ person. A business that has an overly zealous use of legal documents and seeks to take legal steps every time there is the slightest issue to be resolved will soon find that customers do not want to repeat the experience they have received from that business again. Once a company has a reputation for taking an aggressive legal stance it can create many problems for a business, especially if it is new, so be very careful about getting the balance right when you use a legal remedy to resolve an issue or dispute. You may win the dispute but lose the customer forever and probably several more also as the word gets out about your tactics.

The regulations and legislation associated with the above business set-up activities are outlined below so that you can start your learning journey and take the steps required to meet your compliance obligations.

## 5.1 Business Registration & Incorporation

A key decision to be made when starting your own business, or becoming self-employed for the first time, is to decide what type of business structure you want to have. There are a number of options, all of which have their merits and differ in legal and taxation terms, but your four key options are as follows:

- Sole trader
- Partnership
- Limited liability partnership (LLP)
- Limited company

Refer to Guide – Bookkeeping & Basic Accounts for further details on business structures and tax rules and legalities associated with this.

## 5.2 Shareholder Agreements

If you have set up a company with someone else it would be advisable to put a shareholders agreement in place, especially if you hold a minority of the shares. You don't have to have one, you can rely on the articles of association of your company and company law to protect you and regulate how things are done in the company.

If you don't have a shareholders agreement in place it can make things much harder to deal with if you fall out with the other shareholders. There is a risk that you will fall out at some point in the future and may have to seek some kind of mediation service to help because the shareholders can't agree on how to do things. This can end up costing the business dearly when it wouldn't have been the case if a shareholders agreement had been in place at the start.

## 5.3 Licence to Occupy / Lease

Most start-ups nowadays don't take on the commitment of a premises lease, preferring instead to use a serviced office on a 12 month licence to occupy. If you are going to sign up to a licence to occupy then make sure you have read and understood the terms. You must be clear on what payments your business will be liable for, looking out for those hidden extras.

The other really important clauses are those around termination. Look out for a clause that says the licence will automatically renew for another 12 months unless appropriate notice to terminate is given by you. So many businesses miss this and then find themselves tied in for another 12 months.

If you are going to enter into a lease then get the lease checked by a solicitor / lawyer who specialises in this area because leases often contain traps for the unwary. You are not going to spot the issues unless you are an expert and getting this wrong can be very costly and disrupt your business plans.

## 5.4 Legal Notices / Policies

You will need to prepare several legal notices and produce policies that you will display to meet your legal obligations and to help to protect your business if an employee claims discrimination. Examples of the type of notices and policies you will need to display are shown below:

- Your website should display a privacy notice and if it is using cookies, a cookie notice. Other website notices such as acceptable use and website terms of use policies aren't essential but they are very low cost to obtain, will give you some protection and make you look professional.
- If your business employs five or more people you must have a written health and safety policy.
- Although not mandatory, you should put an equal opportunities policy in place. If you don't then this can count against you if an employee claims discrimination.
- If there is any risk at all of someone in your business or supply chain bribing another person then you should have an anti-corruption and bribery policy in place. If you don't then it's unlikely that you will be able to demonstrate that your company had adequate procedures in place to prevent bribery and criminal sanctions may be applied.

Depending on the industry you are in, there may be some industry specific notices and policies that you will need to make in addition to the common ones mentioned above.

## 5.5 Contracts

Contracts come in many shapes and sizes. They are important legal documents that describe the agreements that are made between the various parties involved. There are three key contracts to put in place when preparing to start trading, namely:

- Customer Contracts
- Supplier Contracts
- Employee Contracts

Customer Contracts:

If you don't have a contract with your customer or it isn't clear on things like when it starts, how it ends and what the goods or services are that you are delivering, then you may be exposing your business to the risk of having time-consuming arguments with your customers about what the true position is or worse, they could sue you.

If you do not have proper contracts in place with your customers then there's a risk that sooner or later there will be a problem and you will not have anything to fall back on to help you to resolve the issues quickly and easily. This could result in a delay to the payments due to you whilst you are trying to resolve the problem as well as damage the relationship you have with your customer. If the goods or services that you are supplying are low priced or if you take payment in advance then the risk of damage to your business from non-payment for those goods or services shouldn't hurt you too much as long as non-payment only happens rarely. Note that a contract is not just there to protect you from non-payment, other clauses can be very important as well, such as clauses limiting your liability and ownership / licensing of intellectual property rights.

If you don't protect yourself properly in your contracts you are not just running the risk of being sued or losing your rights, you are running a business that investors won't find attractive either.

### Supplier Contracts

As you prepare to start trading, you will need to build a supply chain, this is a network of suppliers from whom you will purchase the raw materials, stock, equipment and services that you will need to run your business. Care and attention will be needed to choose the right suppliers to give you the right terms and relationships that you will need to deal with fluctuating sales orders and cash flow challenges.

In most cases, you will need to contract on your suppliers' terms and conditions of business. If you can't navigate your way around a contract and understand what the small print or legal phrases really mean in practice, then you may need to find someone who can help you if you are going to enter into a contract with a supplier that is important or high value.

It is particularly important that you get some help and advice from a competent person if you are having something crucial like software being built for you. You should get the contract checked but most importantly, you should read what is put in front of you. Do not assume that the agreement will be fair or that because it is for a basic service it won't contain "nasties". It happens less so now thanks to paper being less prevalent in offices but in the past, many businesses were caught out by, for example, office photocopier contracts that tied them in to paying for support charges for 5 years or more.

Note that the principle of Caveat Emptor applies, (Latin: "let the buyer beware"). In the law of commercial transactions, it is the principle that the buyer purchases at his/her own risk in the absence of an express warranty in the contract.

### Employee Contracts

Not every business will be recruiting and taking on staff, this may come later in the business development journey when the business is trading profitably and is generating sufficient funds to pay for staff joining and working for the business. This type of contract has been included in the getting ready to trade stage for those businesses that are employing people ahead of launching their business or starting to trade.

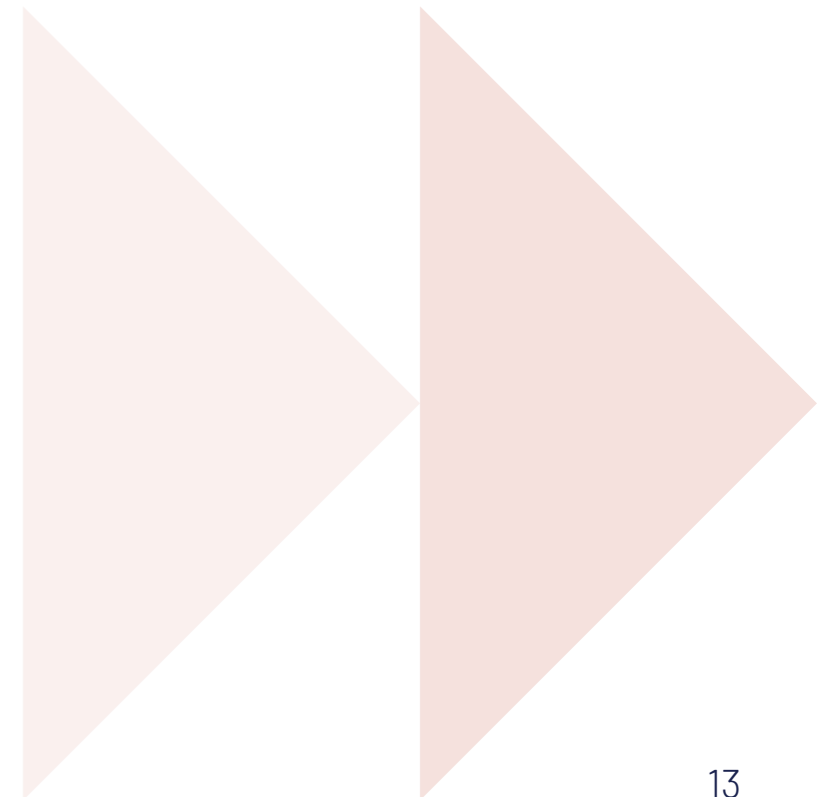
You need to have appropriate contracts in place with your employees because it is a legal requirement. You should be able to source basic contracts at low cost. Basic contracts should cover you for an employee who, if they leave, is not going to hurt your business by working for a competitor or by taking confidential information such as client lists or intellectual property out of the business. However, if your business could be damaged in these scenarios, then ensure that your contracts are drafted by an employment professional or lawyer who will include appropriate provisions to make it easier for you to take action against a departing or rogue employee.

In practice, having properly drafted clauses restricting what a departing employee can and can't do often prevents any mischief occurring in the first place.

There is no legal requirement to have a written contract in place with a Consultant or Associate, the usual reasons for having written contracts in place with any supplier apply, clarity being one of them. Also, if your Consultant is going to create anything for you, for example, software, reports, designs, i.e. things that contain intellectual property rights, then if you don't include appropriate written clauses, the Consultant will be the owner of those things that they are creating for you and your business will have limited rights to use them.

In addition to your employment contracts you should consider having a staff handbook drafted. The staff handbook contains your policies about behaviour and standards as well as disciplinary and grievance procedures. It makes things a lot easier to deal with if there is an issue with an employee down the line. If you are a high growth start up then it is advisable to put a staff handbook in place from the outset.

Finally, it's a legal requirement to offer your employees a pension so make sure you understand what you need to do in this regard.



## 5.6 Business Insurance

Business insurance is there to safeguard you against the everyday risks you can face while running a business. There are different types of business insurance and the types you may need depend on your business and what you do.

Some types of cover may be essential, for example, Employers' liability insurance is a legal requirement for most businesses as soon as they recruit their first member of staff. Other types of business insurance help to protect against certain risks, such as public liability insurance which covers you for any claims made against your business.

The main types of business insurance are highlighted below.

- Employers' liability insurance
- Public liability insurance
- Professional indemnity insurance

This is typically each of these insurances cover:

### Employers' liability insurance

Employers' liability insurance is a legal requirement for most businesses in the UK. If you employ one or more members of staff, you're legally required to have this cover in place and you could face a fine if you fail to do so.

This insurance provides protection if one of your employees becomes ill or injured as a result of work. Employers' liability doesn't just cover full-time or part-time employees. It's also a requirement if you enlist the help of volunteers or employ people on a casual basis, even if it's a friend helping on an evening.

### Public liability insurance

Having public liability insurance in place provides the reassurance you need for those unexpected circumstances you just can't plan for. Anyone can make a claim against you if they feel their property has been damaged or they have been injured as a result of your business activities. Even if you're not at fault, public liability insurance is there to ensure your finances aren't impacted as a result of third-party bodily injury or third-party property damage claims.

Commercial public liability insurance protects your company from such third-party claims. Although it's not a legal requirement to have this type of business insurance in the UK, it safeguards you against liability claims.

### Professional indemnity insurance

Professional indemnity insurance provides cover for any business that provides a professional service, especially if this service involves giving business advice. It can provide protection for your business when things don't quite work out as you planned, for example if a customer claimed there was a problem with a service you delivered that led to a negligence claim being made by the Customer.

Professional indemnity insurance covers the cost of any legal fees and compensation expenses that might arise from a claim against an unexpected mistake so you can continue with business as usual.

Other types of insurance will be available to you should you feel that there is a sufficiently high enough risk to warrant the cost of taking a particular insurance policy out, these typically include:

- Personal accident insurance
- Directors' and Officers' insurance
- Product liability insurance
- Business equipment and office contents insurance
- Tool insurance
- Equipment breakdown insurance
- Self-employed and sole trader insurance
- Commercial building insurance
- Business interruption insurance
- Crime insurance
- Cyber and data insurance
- Medical malpractice insurance

These different types of business insurance cover you for different scenarios. It is advisable to discuss your risks / needs with several insurance companies to help you to get the best deal for your business.

Alternatively you may also want to speak to an Insurance Broker who can advise you of your risks and help you to avoid being sold insurance policies that you really do not need. An Insurance Broker is more likely to support you if you were ever to make a claim and help you to deal with the insurance company's loss adjusters when they undertake their investigations and make their claim assessments.

From the moment you start up your company, it's a good idea to get business insurance to cover you for risks involved in working with suppliers, customers and employees.

## 5.7 Health, Safety & the Environment

The Health and Safety at Work ... Act 1974 is the primary piece of legislation covering occupational health and safety in the UK. It's sometimes referred to as HSWA, the HSW Act, the 1974 Act or HASAWA.

It sets out the general duties which:

- Employers have towards employees and members of the public
- Employees have to themselves and to each other
- Certain self-employed have towards themselves and others

As an employer, you must protect your workers and others from getting hurt or ill through work.

If you don't:

- A Regulator such as the Health and Safety Executive (HSE) or local authority may take action against you under criminal law
- The person affected may make a claim for compensation against you under civil law

Health and Safety at Work is a very comprehensive area of the law which is far too large to be included in this guide. For straightforward guidance on how to comply with the health and safety law, go to the HSE website and on the guidance webpage there is lots of information about the basics for your business.

Use the link <https://www.hse.gov.uk/simple-health-safety/index.htm> to find out about what you need to do to become compliant with your legal health & safety obligations. The basics include:

- Appoint a Competent Person
- Display the Law poster
- Prepare a Health & Safety Policy
- Get Insurance for your business
- Have the Right Workplace Facilities
- Consult your workers
- Provide Information & Training
- Risk Assessments
- First Aid at Work
- Report Accidents & Illnesses

A Health & Safety Risk Assessment Template accompanies this guide and is available for you to use. See the illustration in Section 6 - Templates.

For further information, visit the Health & Safety Executive (HSE) website at <https://www.hse.gov.uk/>

## 6. Trading within the Law

By the time you reach this point in your business start-up journey you will have already put a significant number of regulatory and legal building blocks in place. There are however still a number more to put in place as you start to trade and buy and sell goods and services.

In this chapter, we will be looking at the rules and regulations that apply when performing some of the key activities that are undertaken when marketing and selling products and services to consumers. These are covered by the Consumer Protection from Unfair Trading Regulations (which came in to force in 2008). As well as protection from unfair trading, consumers are also protected by statutory rights and regulations against unfair contracts too.

Although sales to businesses are not covered by consumer-protection regulations, there are some restrictions on how you can market and sell to business customers.

### 6.1 Consumer Protection from Unfair Trading

The Consumer Protection from Unfair Trading Regulations (2008) replaced the previous detailed rules on trade descriptions and misleading prices with a broader prohibition of unfair trading when you market and sell to consumers. The regulations set out a general ban on failing to meet the standard of honest market conduct and acting in good faith. The regulations also target misleading marketing practices and aggressive sales techniques. In both cases, unfair trading practices are prohibited if they affect the average consumer's ability to make an informed purchasing decision.

Ultimately, these regulations aim to ban traders (in all sectors) from using unfair commercial practices towards consumers. They set out broad rules outlining when commercial practices are unfair and are categorised as follows:

- A general ban on conduct below a level which may be expected towards consumers (honest market practice/good faith). This is intended to act as a "safety net" protection for all consumers.
- Misleading practices, like false or deceptive messages, or leaving out important information.
- Aggressive sales techniques that use harassment, coercion or undue influence. For a practice to be unfair under these rules, they must harm, or be likely to harm, the economic interests of the average consumer. For example, when a shopper makes a purchasing decision he or she would not have made had he or she been given accurate information or not put under unfair pressure to do so.

Prices and labelling are also covered by the unfair trading regulations, for example, misleading pricing is prohibited. Retailers must ensure that prices are clearly displayed and it should be noted that special labelling rules apply to some types of product. You would be well advised to check out the details further by speaking to your trade association or a professional adviser.

The regulations also ban outright 31 specific unfair trading practices such as bogus competitions, pestering consumers and fake closing-down sales. Details of these are available at:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/284446/oft979.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/284446/oft979.pdf)

Bear in mind that Trading Standards can take enforcement action against businesses for unfair trading.

## 6.2 Consumer Protection Rights

Consumers are protected by statutory rights and regulations against unfair contracts. These mean, for example, that goods sold to consumers must be of satisfactory quality and that unfair terms and conditions hidden in the small print of a contract cannot be enforced.

Providing misleading marketing information may also mean that consumers have the right to return products or claim for any loss they have suffered.

There are also regulations covering doorstep selling, distance selling and e-commerce. Among other things, these generally give the consumer the right to cancel an order within an automatic cooling-off period and receive a refund or replacement if goods are faulty. The Consumer Rights Act 2015 extended consumer rights to include content supplied in digital form for example film, music, apps, computer games, e-books, etc.

Further information about Consumer Protection Rights can be found at: Consumer rights - [GOV.UK](http://GOV.UK) ([www.gov.uk](http://www.gov.uk))

## 6.3 Distance and Online Selling

Face to Face selling can be expensive and time consuming. Over the last decade, there has been a progressive trend towards the increased use of 'Distance Selling'. This has been accelerated following the restrictions put in place around the world to reduce the spread of Coronavirus. Examples of distance selling include telesales, email marketing and mail order catalogues, but for many businesses, distance selling really means e-commerce (i.e. selling online via your website).

If your business sells to individual consumers without meeting them face-to-face, then you must comply with the Consumer Contracts Regulations. This requires you to give customers specific information before a sale is made to help them decide whether to buy or not. If they do decide to buy, you also have to supply specific details in an order confirmation, provided in a 'durable form' (i.e. written down).

Customers typically have an automatic right to cancel an order during a specified cooling-off period. For your part, you must normally fulfil your contractual obligations within 30 days unless you and your customer agree otherwise. The Consumer Rights Act 2015, defines the regulation covering purchases made at a distance as well as face to face. This gives customers the right to claim a full refund on faulty goods up to 30 days after the item was purchased. If goods prove faulty up to six months after purchase and they can't be repaired or replaced, consumers are also entitled to receive a full refund in most cases.

It should be noted that consumers are not entitled to demand a refund or replacement just because they change their mind.

If you sell from your website, or by other electronic means such as by email or text, you must also comply with the E-Commerce Regulations, whether you are selling to individual consumers or businesses. These specify the information you must provide and require you to make sure your customers can copy and/or print your terms of business.

Details of the E-Commerce Regulations can be found at: The eCommerce Directive and the UK - [GOV.UK](http://GOV.UK) ([www.gov.uk](http://www.gov.uk))

If your business sells digital content (i.e. games, e-books, music or software), you should be aware that consumers can claim 'repair or replacement' if the content they have downloaded is faulty. Consumers also have a 14-day right to change their mind and get a full refund unless they have already started to download the content.

If your business plans to make 'Cold' or 'unsolicited' marketing calls (phone or fax), you should firstly check that the consumers you intend to contact have not registered with the Telephone Preference Service (TPS) or the Corporate Telephone Preference Service (CTPS) to opt out of receiving marketing telephone calls.

If your business's marketing activities involve processing personal data on individuals, for example, storing their details on a marketing database, you must also comply with the General Data Protection Regulations (GDPR). Under GDPR, you are also required to protect your customers' personal data. Customers have the right to request a copy of any data you hold about them so you also need to plan how you will process people's data requests and how you would report a security breach. Reporting any loss of unencrypted personal details is mandatory under GDPR.

## 6.4 Data Protection Compliance

Data protection is about ensuring people can trust you to use their data fairly and responsibly. It's part of the fundamental right to privacy. On a more practical level, it's really about building trust between people and organisations. It's also about treating people openly and fairly, recognising their right to have control over their own identity and their interactions with others whilst striking a balance with the wider interests of society.

If you collect information about individuals for any reason other than your own personal, family or household purposes, then you will need to comply with data protection regulations and laws. The law applies to any 'processing of personal data' and will apply to most businesses and organisations, whatever their size.

In the context of the data protection regulations, personal data means information about a particular living individual. This might be anyone, including a customer, client, employee, partner, member, supporter, business contact, public official or member of the public. It doesn't need to be 'private' information, personal data can even be information which is public knowledge or is about someone's professional life. Data protection regulations do not however cover truly anonymous information. However, if you can still identify someone from the details, or by combining separate pieces of information together to identify someone, it will still count as personal data.

The regulations do also include paper records if you plan to put them on a computer (or other digital device) or file them in an organised way. Remember, almost anything you do with data counts as processing; including collecting, recording, storing, using, analysing, combining, disclosing or deleting it. The General Data Protection Regulations recognise a variety of important roles that are adopted when processing data, in particular, a data controller and a data processor. The individual whom particular personal data is about is technically called the data subject.

A data controller is the person that decides how and why to collect and use the data. This will usually be an organisation, but can be an individual (for example a sole trader). If you are an employee acting on behalf of your employer, the employer would be the controller. The controller must make sure that the processing of that data complies with data protection law.

A data processor is a separate person or organisation (not an employee) who processes data on behalf of the controller and in accordance with their instructions. Data Processors have some direct legal obligations, but these are more limited than the controller's obligations.

The UK data protection regime is set out in the DPA 2018, along with the UK GDPR. It takes a flexible, risk-based approach which puts the onus on you to think about and justify how and why you use data and if using such data to market to customers, then the Privacy and Electronic Communications Regulations (PECR). To comply with data protection laws you need to understand them and how they impact your business and then put appropriate policies and notices in place.

The Information Commissioner's Office (ICO) regulates data protection in the UK. They offer advice and guidance, promote good practice, carry out audits, consider complaints, monitor compliance and take enforcement action where appropriate. Data protection compliance is a complex area of law. The ICO provide a wide range of online information and guidance. A good place to start your learning is by following the link below to gain some basic concepts of the General Data Protection Regulations (GDPR).

<https://ico.org.uk/for-organisations/guide-to-data-protection/guide-to-the-general-data-protection-regulation-gdpr/>

## 6.5 Food Safety Regulations

Food business operators have responsibilities under food safety legislation. Most importantly, they must ensure that the food or drink they produce is safe. Every food business will have different risks, depending upon the type of food that is prepared and the way in which it is produced and handled. There are three main areas to be aware of, namely:

- Food Safety
- Food Hygiene
- Food Inspections

### Food Safety

The main pieces of legislation that cover a general food business are:

- Food Safety and Hygiene (England) Regulations 2013
- Food Safety Act 1990

There are a number of other food safety laws, some of which cover specific products.

If your business deals in food you must:

- Ensure food is safe to eat
- Ensure you don't add, remove or treat food in a way that makes it harmful to eat
- Ensure the food is the same quality that you say it is
- Ensure you don't mislead people by the way food is labelled, advertised or marketed
- Keep records on where you got food from and show this information on demand (traceability)
- Ensure you withdraw unsafe food and complete an incident report
- Ensure you inform people why food has been withdrawn or recalled (using a leaflet or poster)
- Display your food hygiene rating (if you sell food direct to the public)

If you use an additive in food you must:

- Use only an approved additive
- Use only if it is approved for use in that food

The food additive must not exceed the maximum permitted level.

You must tell the Food Standards Agency (FSA) if you think any food your business:

- Holds is unsafe
- Has sold is unsafe

The FSA will tell you if the food must be withdrawn and customers asked to return it. You will be required to submit a Food Safety Incident Report.

### Food Hygiene

Food hygiene is part of the food safety regulations. You will usually have to write a plan based on the 'Hazard Analysis and Critical Control Point' (HACCP) principles if you run a food business. This keeps your food safe from biological, chemical and physical safety hazards.

You will need to manage the surfaces, materials and packaging that can be reasonably expected to come into contact with food. These are called 'food contact materials' and can include:

- Packaging
- Food processing equipment
- Cookware
- Work surfaces

To keep food safe for consumption:

- Ensure food contact materials don't transfer anything to food they touch
- Ensure food contact materials don't change the food they touch
- When inspected, be able to show where the food contact materials came from

You need to remove the risk of food poisoning from bacteria. To keep food safe, you should follow HACCP principles. Bacteria that can cause serious health problems, particularly from:

- E.coli O157
- Campylobacter
- Salmonella (including storage and handling of eggs)

If you are a food retailer or caterer you also need to manage food allergies when preparing and selling food. Be aware of Natasha's law.

Employers are responsible for food hygiene training for staff. Training can be provided either in a formal programme or informal training, such as 'on the job training' or a 'self-study' course.

### Food Inspections

Your local council has the right to inspect your business at any point in the food production and distribution process. You usually will not be given any prior notice. All inspectors must follow the Food Law Code of Practice.

If you're a food retailer or caterer you will be inspected on a reasonably regular basis to make sure you comply with food safety laws. Ultimately, the frequency that your business is inspected will be determined by the perceived risk your business poses to public health. You might not be inspected as often if you are a member of a recognised assurance scheme. You can search for a registered assurance scheme online.

Your premises, food, records and procedures can be inspected. Food samples can be taken as well as photographed.

After an inspection, you will be sent a letter confirming any improvements you need to make and by when they have to have been completed. Usually, you are expected to take responsibility for confirming these improvements have been made.

In cases where more serious food safety problems have been identified, you may be sent a 'notice'. The notice can include banning you from using certain equipment or processes until improvements have been made. Examples of the types of notice that may be issued include:

- Hygiene Improvement Notice
- Hygiene Emergency Prohibition Notices (banning you from using certain equipment or following certain processes)

Your business will be revisited to make sure you have followed the improvements in the notice. Your letter or notice should tell you how you can appeal a decision by an inspector.

For further details follow the link at: <https://www.gov.uk/food-safety-your-responsibilities>



**Health & Safety Risk Assessment Table**

Company Name:				Assessment Carried out by:			
Date of Next Review:				Date Assessment carried out:			
No.	What are the Hazards?	Who might be harmed and how?	What are you already doing to control the risks?	What further action do you need to take to control the risks?	Who needs to carry out the action?	When is the action needed by?	Done
1							
2							
3							
4							
5							
6							
7							
8							

**6. Template**



**HEY**  
**Start-**  
**ups**



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**Hull and  
East Yorkshire  
Local Enterprise  
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Business, Energy  
& Industrial Strategy**



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