

## Trading Standards Business Advice Leaflets

### Guidance for business when advertising the sale of a holiday caravan, chalet or log cabin

This leaflet is designed to give you information on how to avoid misleading consumers when you advertise the sale of a holiday caravan, chalet or log cabin sited on a holiday park.

It will help you if you run the holiday park or if you are an agent of the park owner. It will also be helpful if you are engaged to sell such a holiday caravan, chalet or log cabin for a private owner. Estate agents engaged to advertise such a sale will have to exercise particular care to avoid misleading consumers.

#### **Basic Information you need to know**

Before you start you must know and understand:

1. You are advertising the sale of goods NOT the sale of a free-hold or lease-hold property. That is when a caravan, chalet or log cabin on a holiday park is advertised it is only the unit itself which is for sale. This does not include the land it sits on. The buyer will rent a pitch from the holiday park.
2. You must know what planning permission the holiday park has concerning the use of the unit being advertised. It is very likely that a holiday park will be restricted in its use as holiday accommodation only and will not allow any permanent residential occupancy of any of the units. Do not be confused by the fact that the holiday parks may have a 12 month licence issued by the local authority. All this means is that the owners can holiday in the unit at any time of the year. It does not mean that the site is residential.
3. The Sale of Goods Act 1979, as amended, will give the buyer statutory rights. What this means is that if the goods (ie, the caravan, chalet or log cabin) AND the items in it are not as described, not of satisfactory quality, or not fit for their particular purpose then the buyer may be able to sue the seller. The full rights apply where the seller is a trader and the buyer is a consumer and any attempt to limit consumer statutory rights will be void and may give rise to criminal offences. In other situations you will need to get specific advice to avoid misleading statements concerning buyer's rights. .
4. Unfair commercial practices are banned by regulation 3 of the Consumer Protection from Unfair Trading Regulations 2008. What is meant by an unfair commercial practice is:
  - Contravening the requirements of professional diligence (that is, doing something a responsible business would not do).
  - Misleading by actions (that is, giving false or misleading information to consumers).
  - Misleading by omissions (that is, failing to give the consumer important information).
  - Engaging in aggressive practices
  - Engaging in practices on a list of Banned Practices

For more information of a trader's duty to trade fairly go to East Riding of Yorkshire website: [www.eastriding.gov.uk](http://www.eastriding.gov.uk) and download the guide to the Consumer Protection from Unfair Trading Regulations 2008.

#### **What basic guidelines can I follow to avoid misleading consumer?**

The following pointers will help you:

1. Make sure that any advertising could not mislead a consumer into believing that if they bought the unit they could live in it, unless you have confirmed that the planning permission allows residential occupancy. It is NOT ENOUGH to say that when a consumer enquires the



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matter will be explained to them: **FIRST IMPRESSIONS COUNT**. Examples of such would be:

- a. Advertising a holiday caravan, chalet or log cabin alongside houses and flats, using similar formats and colour combinations. This will give the impression that what is being advertised is a dwelling. Estate agents will need to take especial care of this type of impression.
  - b. Using words that can imply residential occupancy. Using words and expressions including home, mortgage, residence, retired, lease, and so on. If you use words of this type you may, even if you did not intend to do so, give a consumer the wrong impression.
  - c. Emphasising such things as park opening times in such a way as to imply that the consumer could use the holiday caravan, chalet or log cabin continuously during that period rather than using it during that time as holiday accommodation.
  - d. Advertising local residential facilities and amenities in such a way as to suggest that the unit was a suitable location to live.
2. Make sure that a consumer will know from the advertising that what is being advertised is not the land or an interest in land. That is, if they go ahead and buy the unit they do not buy the pitch it stands on and that they will have to rent the pitch from the owners of the site.
  3. Make sure that you do not give the impression that a consumer's rights will be reduced or will not apply.
  4. Make sure that ALL the important information is given. This WILL include such matters as:
    - a. The pitch fee (the annual figure if that is how the site collects it).
    - b. How long the agreement to rent the pitch where the unit is sited will last.
    - c. That the use of the site will be subject to published rules or terms and conditions issued by the site (make sure that these are available for a prospective buyer to examine BEFORE they take any decision to buy).
    - d. That listed services are only available from the site, if this is the case (An example here would be if the unit owner has to buy the electricity supply from the site. If this was the case then the purchaser could not shop around for the best energy supplier contract).
    - e. A list of other compulsory maintenance and insurance requirements (In many cases the purchaser will have to have a minimum level of insurance and may have to have electrical and gas appliances certified on an annual basis). These are a significant part of the running costs of such a unit.
    - f. A clear statement that if the buyer in their turn decides to sell the unit to someone else (including a family member) then they will have to get the agreement of the site. AND that the site WILL charge a substantial commission on the sale, this could be in the region of 18% of the sales price. If the site has first option to buy, you must also make this clear.
  5. Remember that you can mislead a consumer by what you say as well as what you put down in print. Legally you can not restrict the contract to a particular document when you deal with consumers; the sales pitch will always count.

### **Further requirements**

From 13<sup>th</sup> June 2014 onwards there are new rules that may cover your business. This is the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013. These set out the information you must supply to consumers. The following guidance is available on East Riding of Yorkshire website, [www.eastriding.gov.uk](http://www.eastriding.gov.uk) :

- “A guide for traders selling goods, services and digital content from their premises”
- “A guide for traders selling goods, services and digital content off their premises”
- “A guide for traders selling goods, services and digital content at a distance”

### **Interpretation**

These notes are for general guidance only. Ultimately it is only the courts that can make the decision as to whether a practice is unfair or not.