
S T A T U T O R Y I N S T R U M E N T S

1999 No. 3042

PRICES

The Price Marking Order 1999

<i>Made - - - - -</i>	<i>10th November 1999</i>
<i>Laid before Parliament</i>	<i>11th November 1999</i>
<i>Coming into force Article 2(1)</i>	<i>4th December 1999</i>
<i>Remainder - - - - -</i>	<i>18th March 2000</i>

The Secretary of State, after consulting in accordance with section 2(6) of the Prices Act 1974(a), as applied by section 4(3) of that Act, in such manner as appeared to him to be appropriate having regard to the subject matter and the urgency of the Order, with such organisations representative of interests substantially affected by the Order as appeared to him having regard to those matters, to be appropriate, in exercise of his powers under section 4 and of all other powers enabling him in that behalf, hereby makes the following Order:

Citation, commencement and interpretation

1.—(1) This Order may be cited as the Price Marking Order 1999. Article 2(1) of this Order shall come into force on 4th December 1999 and all other articles shall come into force on 18th March 2000.

(2) In this Order—

“advertisement” means any form of advertisement which is made in order to promote the sale of a product but does not include any advertisement by means of which the trader intends to encourage a consumer to enter into a distance contract, a catalogue, a price list, a container or a label;

“consumer” means any individual who buys a product for purposes that do not fall within the sphere of his commercial or professional activity;

“distance contract” means any contract concerning products concluded between a trader and a consumer, by any means, without the simultaneous physical presence of the trader and the consumer;

“foreign currency” means any currency other than sterling;

“itinerant trader” means any trader who, as a pedestrian, or from a train, aircraft, vessel, vehicle, stall, barrow, or other mobile sales unit, offers products to consumers other than by means of pre-printed material;

“net drained weight” means the weight of a solid food product when it is presented in a “liquid medium”, as that expression is defined for the purposes of paragraph 4 of Article 8 of Council Directive 79/112/EEC relating to the labelling and presentation of foodstuffs(b);

“products sold from bulk” means products which are not pre-packaged and are weighed or measured at the request of the consumer;

“relevant floor area” in relation to a shop means the internal floor area of the shop excluding any area not used for the retail sale of products or for the display of such products for retail sale;

(a) 1974 c. 24; section 4 was amended by the Price Commission Act 1977 (c. 33), section 16(1).

(b) OJ No. L33, 8.2.79, p. 1; as amended by Council Directive 89/395/EEC, OJ No. L186, 30.6.89, p. 17.

“selling price” means the final price for a unit of a product, or a given quantity of a product, including VAT and all other taxes;

“shop” includes a store, a kiosk and a franchise or concession within a shop;

“small shop” means any shop which has a “relevant floor area” not exceeding 280 square metres;

“trader” means any person who sells or offers or exposes for sale products which fall within his commercial or professional activity;

“unit price” means the final price, including VAT and all other taxes, for one kilogram, one litre, one metre, one square metre or one cubic metre of a product, or, in respect of the products specified in Schedule 1, the final price for the corresponding unit of quantity set out in that Schedule, or, where products are sold by number, the final price for one individual item of the product.

Revocations

2.—(1) Article 7 of the Price Marking Order 1991(a) is hereby revoked.

(2) The following orders are hereby revoked:

- (a) The Price Marking Order 1991 except article 7;
- (b) The Price Marking (Pre-packed Milk in Vending Machines) Order 1976(b).

Exclusion from application of the Order

3. This Order shall not apply:

- (a) to products which are supplied in the course of the provision of a service; or
- (b) to sales by auction or sales of works of art or antiques.

Obligation to indicate selling price

4.—(1) Subject to paragraph (2) of this article, where a trader indicates that any product is or may be for sale to a consumer, he shall indicate the selling price of that product in accordance with the provisions of this Order.

(2) The requirement in paragraph (1) above shall not apply in respect of:

- (a) products sold from bulk; and
- (b) an advertisement for a product.

Obligation to indicate unit price

5.—(1) Subject to paragraphs (2) (3) and (4) below, where a trader indicates that any product is or may be for sale to a consumer he shall indicate the unit price of that product in accordance with the provisions of this Order.

(2) The requirement in paragraph (1) shall apply only in respect of any product sold from bulk or required by or under Parts IV or V of the Weights and Measures Act 1985(c) to be:

- (a) marked with an indication of quantity; or
- (b) made up in a quantity prescribed by or under that Act.

(3) The requirement in paragraph (1) of this article shall not apply in relation to any product:

- (a) which is listed in Schedule 2;
- (b) the unit price of which is identical to its selling price; or

(a) S.I. 1991/1382, amended by S.I. 1991/1690, S.I. 1994/1853 and S.I. 1995/1441.

(b) S.I. 1976/796.

(c) 1985 c. 72.

- (c) which is pre-packaged in a constant quantity and sold:
 - (i) in a small shop;
 - (ii) by an itinerant trader; or
 - (iii) from a vending machine.

(4) The requirement in paragraph (1) shall apply in relation to an advertisement for a product only where the selling price of a product is indicated in the advertisement.

Manner of indication of selling price and unit price

6.—(1) The indication of selling price and unit price required by this Order shall be in sterling.

(2) If a trader indicates his willingness to accept foreign currency for the purchase of a product, he shall, in addition to the price indications in sterling, either:

- (a) identify the selling price and the unit price of the product in the foreign currency in question together with any commission to be charged; or
- (b) shall clearly identify the conversion rate on the basis of which the foreign currency prices will be calculated together with any commission to be charged.

(3) Where a trader identifies the selling price and the unit price of the product in a foreign currency or identifies the conversion rate on the basis of which the foreign currency prices will be calculated, he shall also indicate that such selling price, unit price or conversion rate does not apply to transactions (via payment card or Uniform Eurocheque) to be applied to accounts denominated in currencies other than sterling, the exchange rate for which will be that applied by the relevant payment scheme which processes the transaction.

7.—(1) The indication of selling price, unit price, commission, conversion rate or change in the rate of Value Added Tax shall be—

- (a) unambiguous, easily identifiable and clearly legible;
- (b) placed in proximity to the products to which it relates; and
- (c) so placed as to be available to consumers without the need for them to seek assistance from the trader or someone else on his behalf in order to ascertain it.

(2) The indication of any charges for postage, package or delivery of a product shall be unambiguous, easily identifiable and clearly legible.

(3) Where, in addition to a unit price, a price per quantity is indicated in relation to a supplementary indication of quantity expressed in imperial units of measurement, the unit price shall predominate and the price per imperial quantity shall be expressed in characters no larger than the unit price.

8. In the case of a pre-packaged solid food product presented in a liquid medium, the unit price shall refer to the net drained weight of the product. Where a unit price is also given with reference to the net weight of the product, it shall be clearly indicated which unit price relates to net drained weight and which to net weight.

Change in Value Added Tax

9. The provisions of this Order shall be complied with notwithstanding any change in the rate or coverage of VAT or any other tax, provided that where there is any such change a retailer who adjusts his prices in consequence thereof may—

- (a) by means of a general notice or notices for a period of 14 days from the date any such change takes effect, indicate that any products subject to that change are not for sale at the price indicated and that such price will be adjusted to take account of the change;

- (b) continue to distribute any catalogue or sales literature printed or ordered to be printed before a change is announced if, but only if—
- (i) there is firmly attached thereto a label which prominently states that some or all of the prices printed therein are to be adjusted to reflect the change, and
 - (ii) it includes sufficient information to enable prospective purchasers to establish the adjusted prices of any products listed, or
 - (iii) it refers to and is accompanied by a supplement which enables them to do so.

Decimal places and roundings of unit prices

10. Where the unit price of a product falls below £1 it shall be expressed to the nearest 0.1p. Where the figure denoting one hundredths of one penny in the unit price is 5 or higher, it shall be rounded up. Where it is 4 or lower it shall be rounded down.

11. Where the unit price of a product falls above £1 it shall be expressed to the nearest 1p. In these cases where the figure denoting tenths of one penny in the unit price is 5 or higher, it shall be rounded up. Where it is 4 or lower it shall be rounded down.

Enforcement

12.—(1) This Order shall be enforced under the Prices Act 1974(a).

(2) For the purpose of ascertaining whether any trader is exempt, under article 5(3)(c)(i), from the requirement to unit price products which are pre-packaged in a constant quantity, a trading standards authority may require that trader to produce such documentary evidence relating to the shop in question as it considers necessary.

10th November 1999

Kim Howells,
Parliamentary Under-Secretary of State
for Consumers and Corporate Affairs,
Department of Trade and Industry

(a) 1974 c. 24; section 4 was amended by the Price Commission Act 1977 (c. 33), section 16(1).

SCHEDULE 1

Relevant unit of quantity for specific products for the purpose of the definition of “unit price”

PRODUCT	UNITS
Herbs	10 g
Spices	10 g
Flavouring essences	10 ml
Food colourings	10 ml
Seeds other than pea and bean seeds	10 g
Cosmetic make-up products	10 g/ml
Rice	100 g
Pickles	100 g
Sauces, edible oils	100 ml
Fresh processed salad	100 g
Chilled desserts	100 ml
Cream	100 ml
Bread	100 g
Biscuits	100 g
Pies and flans indicating net quantity	100 g
Ice cream and frozen desserts	100 g/ml
Preserves	100 g
Soups	100 g
Fruit juices, soft drinks	100 ml
Coffee	100 g/ml
Tea and other beverages prepared with liquid	100 g
Confectionery	100 g
Potato crisps and similar products commonly known as snack foods	100 g
Breakfast cereal products	100 g
Dry sauce mixes	100 g
Lubricating oils other than oils for internal combustion engines	100 ml
Shaving creams	100 g/ml
Hand creams	100 ml
All purpose lotions and creams	100 ml
Sun products	100 ml
Oral products, including toothpaste	100 g/ml
Hair lacquer	100 ml
Hair shampoos and conditioners	100 g/ml
Hair strengtheners, creams and brilliantines	100 ml
Bubble baths and foaming products for bath and shower	100 ml
Deodorants	100 g/ml
Talcum powders	100 g
Toilet soaps	100 g
Alcohol based beauty and toilet products containing less than 3% by volume of natural or synthetic perfume oil and less than 70% by volume of pure ethyl alcohol; aromatic waters, hair lotions, pre-shower and after-shave lotions	100 ml
Handrolling and pipe tobacco	100 g
Wines, sparkling wine, liqueur wine, fortified wine	750 ml
Coal, where sold by the kilogram	50 kg
Ballast, where sold by the kilogram	1,000 kg

SCHEDULE 2**Products in respect of which a trader is exempt from the requirement to unit price**

Any product which is offered by traders to consumers by means of an advertisement which is: (a) purely aural; (b) broadcast on television; or (c) shown at a cinema.
Any product the price of which has been reduced from the usual price at which it is sold, on account of: (a) its damaged condition; or (b) the danger of its deterioration.
Any product which comprises an assortment of different items sold in a single package.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order is made under section 4 of the Prices Act 1974 and implements Directive 98/6/EC of the European Parliament and of the Council (OJ No. L180, 18.3.98 p. 27) on consumer protection in the indication of the prices of products offered to consumers.

The Order revokes article 7 of the Price Marking Order 1991 as from 4th December 1999 and revokes the remainder of the Price Marking Order 1991 as from 18th March 2000.

The Order applies to all products offered by traders to consumers other than those supplied in the course of the provision of a service, those sold by auction or works of art or antiques. (article 3). With specified exceptions, the Order requires that the selling price is given where a product is offered by a trader to a consumer. (article 4).

The Order also requires, subject to specified exceptions, that the unit price must be indicated for all products sold from bulk or for pre-packaged products which are required by or under Parts IV or V of the Weights and Measures Act 1985 to be marked with quantity or to be made up in a prescribed quantity. (article 5).

The Order requires the display of prices in sterling but permits additional indications of price in a foreign currency subject to specified conditions. (article 6). All price and other indications required under the Order are subject to requirements on visibility. (article 7). Prices are required to be inclusive of VAT and all other taxes and provision is made in respect of price indications following a change in the rate of VAT. (articles 1(2) and 9). Provision is also made in respect of the manner in which the unit price shall be expressed with regard to decimal places and roundings of figures. (articles 10 and 11).

The Order is to be enforced under the Prices Act 1974. (article 12(1)).

The Order (except article 2(1)) is brought into force on 18th March 2000. Article 2(1) is brought into force on 4th December 1999.

A Regulatory Impact Assessment of the costs and benefits which will result from this Order has been prepared. Copies have been placed in the libraries of both Houses of Parliament and can also be obtained from the Consumer Affairs Directorate of the Department of Trade and Industry, Room 458, 1 Victoria Street, London SW1H 0ET.

STATUTORY INSTRUMENTS

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