



Act relating to consumer purchases

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Kapitteloversikt:

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Amendment acts incorporated in this text: L30.06.2006 No. 46, L15.06.2007 No. 36, L24.06.2011 No. 30, L20.06.2014 No. 27, L17.06.2016 No. 29.

Amendment acts not yet incorporated in this text: None.

This is an unofficial translation of the Norwegian version of the Act and is provided for information purposes only. Legal authenticity remains with the Norwegian version as published in Norsk Lovtidend. In the event of any inconsistency, the Norwegian version shall prevail.

The translation is provided by the Ministry of Children and Families.

Chapter 1. Introductory provisions

Section 1. *Scope of the Act*

This Act applies to consumer purchases unless otherwise provided by law.

A consumer purchase is defined as the sale of goods to a consumer when the seller or seller's representative is engaged in a commercial enterprise.

A consumer is defined as a natural person who is not primarily acting as part of a commercial enterprise.

Any representative who is engaged in a commercial enterprise is jointly and severally liable with the seller for the seller's obligations if the consumer is not made expressly aware that the representative is acting only as an intermediary and is not jointly and severally liable with the seller. This liability does not apply when the seller is himself or herself engaged in a commercial enterprise.

To the extent pertinent, this Act applies to the exchange of goods.

Section 2. *Application of the Act in certain circumstances*

The Act applies to

- a) the ordering of goods that must be manufactured (purchase of goods made to the buyer's specifications)
- b) the supply of water
- c) the purchase of receivables or entitlements
- d) agreements with a power grid company for the supply of electrical energy.

The Act does not apply to

- a) the purchase of real property
- b) agreements relating to the construction of buildings or other constructions on real property
- c) agreements with a utility company for the supply of electrical energy. However, Chapter 5 on delays applies to delayed commencement in the supply of electrical energy.
- d) agreements which oblige the party who is to deliver the item to also perform work or other services, if such work or services constitute the greater part of his or her obligation.

0 Amended by Act 30 June 2006 No. 46, Act 17 June 2016 No. 29.

Section 3. *Invariability. Choice of law*

Terms and conditions less favourable to the consumer than those flowing from the provisions of this Act may not be agreed or enforced.

It may not be agreed that the legal rules in a non-EEA state shall be applied to a purchase agreement which is closely connected to the territory of the EEA states, if this would provide the consumer with less protection than they would receive under this present legislation.

Section 4. *Risk relating to the conveyance of notices*

If one party gives notice in compliance with the provisions of this Act, and sends it in a way that is appropriate under the circumstances, and nothing else is stipulated, the sender may claim that said notice has been given in time, even though delays or errors may arise during its conveyance, or the notice fails to reach the other party.

Chapter 2. Delivery, etc.

Section 5. *Place of delivery*

The item shall be held ready for collection at the place where the seller had his or her place of business at the time the purchase was made. If the purchase was entered into with no connection to the seller's place of business, the item shall be delivered to the consumer's location.

If the seller has more than one place of business, delivery shall be made to the place of business with the closest connection to the purchase, taking into account the parties' assumptions at the time the purchase was made.

The parties may agree another place of delivery.

Section 6. *Delivery time*

The item must be delivered without unnecessary delay and no later than 30 days after its purchase, unless otherwise agreed.

If a time period for delivery has been agreed, the seller is entitled to select the time unless circumstances indicate that the choice is up to the consumer.

If, in connection with the sale of goods for collection, the seller is entitled to select the time of delivery, he or she must give the consumer timely notice of when the item may be collected.

0 Amended by Act of 20 June 2014 No. 27.

Section 7. *Delivery*

Delivery has taken place when the consumer has taken possession of the item.

Section 8. *Additional obligations in connection with sales for delivery*

If the seller is to ensure that the item is sent, he or she has a duty to enter into such agreements as are necessary to have the item transported to the designated place in an appropriate manner and at normal terms and conditions for such transport.

If the seller is not to take out transport insurance for the item, he or she must, at the consumer's request, provide the information that the consumer needs to purchase insurance cover.

If the seller delivers the item to a haulier without making it clear, either through labelling or transport documentation or in some other way, that the item is destined for the consumer, the seller must notify the consumer in a way that makes it clear what the consumer is to receive.

Section 9. *The seller's right of retention*

The seller has no duty to surrender the item, hand over documentation or in any other way transfer control of the item without the purchase price having been paid at the same time. However, this does not apply if the seller has granted the consumer credit.

If the seller is to send the item to another place, he or she may nevertheless not refrain from sending it, but the seller may prevent the consumer from gaining control of the item until the purchase price has been paid.

Section 10. *Liability for costs*

The seller bears the costs associated with the item until it is delivered. This provision does not apply to costs arising from any delay in delivery due to circumstances on the part of the consumer.

When the item is to be sent to the consumer, it may be agreed that carriage-related costs shall be paid by the consumer in addition to the purchase price.

Section 11. *Returns deriving from the item*

Any return produced by the item before the agreed delivery time falls to the seller, unless there were grounds to assume that it would materialise at a later date. Any return produced by the item after the agreed delivery time falls to the consumer, unless there were grounds to assume that it would materialise earlier.

The parties may agree to other arrangements.

Section 12. *Shares. Interest-bearing receivables*

The purchase of a share includes any dividend that had not fallen due prior to its purchase. The same applies to the right to subscribe new shares when this right could not be exercised before the share was purchased.

The purchase of interest-bearing receivables includes any interest that had accrued but not fallen due prior to the agreed delivery time. The equivalent value of such interest shall be paid as a supplement to the purchase price unless the receivable was sold as insecure.

The parties may agree to other arrangements.

Chapter 3. Risk relating to the item

Section 13. *What the risk involves*

When the risk relating to the item has been transferred to the consumer, the consumer's duty to pay the purchase price does not cease should the item subsequently be lost, damaged or reduced in size as a result of an incident that is not due to the seller.

Section 14. *Transfer of risk*

The risk is transferred to the consumer when the item has been delivered pursuant to section 7. If the delivery time has arrived and the consumer fails to take possession of the item which has been placed at his or her disposal, the consumer is nevertheless liable for the risk of loss or damage deriving from the item's inherent properties, e.g. putrefaction.

If the consumer is to collect the item from a location other than the seller's premises, the risk is transferred when the delivery time has arrived and the consumer is aware that the item has been placed at his or her disposal at the place of delivery.

The risk is not transferred to the consumer until it has been made clear, through labelling, transport documentation or in some other way, that the item is destined for the consumer.

In connection with sales for delivery, the risk is transferred to the consumer when the consumer, or a third party who is appointed by the consumer and is not the haulier, has physically taken the goods into their possession. The risk is nevertheless transferred to the consumer when the goods are handed over to the haulier if it is the consumer who has commissioned the haulier to transport the goods, and it was not the seller who offered this transport alternative. Subparagraph 2 herein does not affect the consumer's rights with respect to the haulier.

If an item has been purchased and delivered on approval or otherwise with the right of return, the consumer assumes the risks relating to the item until the seller has retaken possession thereof. However, this does not apply when the consumer is entitled to return the item pursuant to the Cancellation Act¹ or corresponding cancellation deadline set out in the consumer purchase agreement.

0 Amended by Act 20 June 2014 No. 27.

1 Angrerettloven

Chapter 4. The item's properties, defects, etc.

Section 15. *The item's properties*

The item shall meet the requirements in respect of its nature, quantity, quality, other properties and packaging stipulated in the agreement.

Unless otherwise stipulated in the agreement, the item must

- a) be fit for the purposes for which similar goods are normally used
- b) correspond in terms of shelf-life/longevity and other properties to that which the consumer has grounds to expect when purchasing such an item
- c) be fit for a specific purpose which the seller was or must have been aware of when the purchase was made, if the seller has accepted this purpose or the consumer has otherwise had reasonable grounds to rely on the seller's judgement and expertise in the matter
- d) have the properties that the seller has demonstrated by presenting a sample or model thereof
- e) be packaged in the ordinary way or in another appropriate manner necessary for its preservation and protection

- f) comply with the legal requirements set out in legislation or public regulations pursuant to statute at the time the purchase was made, unless the consumer intends to use the item in such a way that this requirement is of no significance
- g) be unencumbered of any third party's rights with respect to the item, for example rights relating to title or liens. Similarly, the item shall be unencumbered of any third party's claims to have rights therein when this is disputed, except when the claim is clearly unfounded.

Section 16. Defects

The item is defective when

- a) it does not comply with one or more of the requirements stipulated in section 15
- b) the seller failed to disclose, when the purchase was made, matters relating to the item or its use which he or she should have been aware of and which the consumer had grounds to expect to be told, if this failure can be assumed to have influenced the purchase
- c) it does not correspond to the information which the seller, in their marketing or otherwise, has provided about the item or its use, unless the seller demonstrates that the information has been clearly corrected prior to the purchase or that it cannot have influenced the purchase
- d) necessary information relating to installation, assembly, use, maintenance and storage did not accompany the item.

Paragraph 1 (c) applies correspondingly to information anyone other than the seller has provided on the item's packaging, in adverts or other marketing communications on behalf of the seller or previous intermediaries in the sales chain.

The consumer cannot claim as a defect something which he or she was aware of or should have been aware of at the time the purchase was made.

The consumer cannot claim as a defect something whose root cause lies in materials supplied by the consumer. However, this does not apply if the seller should have counselled against their use due to the materials' unsuitability.

Section 17. Goods sold «as is». Auction sales

Even though an item is sold «as is» or with similar ordinary provisos, a defect exists

- a) when the item is in a worse condition than the consumer had reasonable grounds to expect on the basis of the proviso, the size of the purchase price and circumstances otherwise, or
- b) when circumstances exist as mentioned in section 16 (1) (b) or (c).

As far as is pertinent, the provisions of paragraph 1 above apply correspondingly if second-hand goods are sold at auction where the consumer has the opportunity to be present.

Section 18. Time at which a defect is deemed to exist

Any determination of whether an item is defective shall take as its starting point the time at which the risk associated therewith is transferred to the consumer, even though the defect has not become apparent until later.

Unless otherwise proved, a defect which becomes apparent less than six months after the transfer of risk is assumed to have existed at the time of transfer. However, this does not apply if this assumption is incompatible with the nature of the item or the defect.

The seller is also liable for a defect that arises later if said defect is due to a breach of contract on his or her part.

0 Amended by Act 15 June 2007 No. 36.

Section 18a. *Guarantees*

The seller may assume liability for faults in the item which do not constitute a defect under the provisions of this Act, and may, in that case, determine what claims the consumer may make as a consequence of the fault. The seller may also assume greater liability for a defect than that stipulated in the provisions of this Act.

If the seller has issued a guarantee as mentioned in paragraph 1(i) above, under which he or she undertakes within a certain period of time to assume liability, in whole or in part, for the item's utility or other properties without specifying clearly which faults in the item the seller is taking responsibility for and which claims the consumer is entitled to make as a consequence of the fault, a defect exists if the item does not comply with the seller's undertaking. However, this does not apply if the seller substantiates that the fault is due to an accident, incorrect handling of the item or other circumstance on the part of the consumer.

If anyone other than the seller has issued a guarantee as mentioned in paragraph 2 above, and it appears to the consumer as through it has been issued by the seller, a defect exists pursuant to the provisions in paragraph 2. However, this does not apply if the seller, prior to the purchase, notified the consumer that he or she was not bound by any guarantee issued by a third party.

A guarantee is legally binding on the guarantor on the terms set out in the statement of guarantee and in associated advertising, and it does not restrict the consumer's rights under this Act, see section 3 (1).

0 Added by Act 15 June 2007 No. 36.

Chapter 5. Delays. The consumer's rights as a result of late delivery

Section 19. *The consumer's rights in the event of delays*

If the item is not delivered or is delivered too late and this is not due to the consumer or circumstances relating to the consumer (delay), the consumer is entitled to

- a) withhold the purchase price pursuant to section 20
- b) demand fulfilment of the purchase pursuant to section 21
- c) demand the purchase be cancelled pursuant to section 23
- d) claim compensation pursuant to section 24.

The consumer's right to claim compensation is not nullified by his or her submission of other claims or by the fact that such claims cannot be submitted.

Correspondingly, if the seller otherwise fails to fulfil his or her obligations in a timely manner following the purchase, the provisions relating to delay apply to the extent pertinent, though not section 23 (3) and (4). The parties may agree to another solution.

Section 20. *Right to withhold payment*

The consumer may withhold payment to cover claims resulting from the seller's delay, but not obviously more than that amount which would provide reasonable surety for the claim.

Section 21. *Right to fulfilment*

If the delivery time has arrived without the item being delivered, the consumer may nevertheless uphold the purchase and demand fulfilment thereof.

This does not apply if some obstacle exists which the seller is unable to overcome, or if fulfilment would result in so great an inconvenience or cost to the seller as to stand in material disproportion to the consumer's interest in the seller's fulfilment. If the difficulties disappear within a reasonable period of time, the consumer may demand fulfilment.

The consumer loses the right to demand fulfilment if he or she waits an unreasonably long time before submitting a claim therefor.

Section 22. *Enquiry*

If the seller enquires whether the consumer wishes to accept delivery despite the delay, or notifies the consumer that the item will be delivered by a specified time, but the consumer fails to respond within a reasonable period of time after he or she has received said notice, the consumer may not cancel the purchase if fulfilment takes place by the specified time.

Section 23. *Cancellation*

If the seller has not delivered the item at the right time, pursuant to section 6, the consumer shall urge the seller to deliver the item within a reasonably extended deadline for performance. If the seller does not deliver the item within this extended deadline, the consumer is entitled to cancel the purchase agreement.

Paragraph 1 above does not apply if the seller has refused to deliver the goods, if delivery within the agreed time was decisive to the contract being entered into, or if the consumer informed the seller before entering into the contract that delivery by or on a specific point in time was decisive. If, in such circumstances, the seller has not delivered the item at the right time, pursuant to section 6, the consumer is entitled to cancel the agreement with immediate effect.

If the item has been delivered, any claim for cancellation must be submitted within a reasonable period of time after the consumer became aware that delivery had taken place.

0 Amended by Act 20 June 2014 No. 27.

Section 24. *Compensation*

The consumer may claim compensation for losses he or she suffered as a result of the delay on the seller's part.

However, this does not apply to the extent that the seller proves that the delay is due to impediments beyond his or her control, which the seller could not reasonably be expected to have taken into account at the time the agreement was entered into or avoid or overcome the consequences of.

If the delay is due to a third party who the seller has commissioned to fulfil the purchase in whole or in part, the seller is free from liability only if the third party would also be released therefrom under the provisions of paragraph 2 above. The same applies if the delay is due to a supplier that the seller has used, or to some previous intermediary in the sales chain.

Freedom from liability applies for as long as the impediment exists. If the impediment ceases to exist, liability may be invoked if the seller then undertakes to fulfil the obligation, but fails to do so.

Compensation is assessed in accordance with the rules set out in Chapter 11.

Section 25. *Duty of disclosure with respect to impediment*

If the seller is prevented from fulfilling the purchase agreement at the right time, the consumer must be notified of the impediment thereto and its consequences for the seller's ability to fulfil the agreement. If the consumer does not receive such notice within a reasonable period of time after the seller became or should have become aware of the impediment, the consumer may claim compensation for losses which could have been avoided if he or she had been notified in time.

Chapter 6. The consumer's rights with respect to defective goods

Section 26. *The consumer's rights in the event of defects*

If a defect exists that is not due to the consumer or circumstances related thereto, the consumer is entitled to

- a) withhold the purchase price pursuant to section 28
- b) choose between rectification or redelivery pursuant to sections 29 and 30
- c) demand a reduction in the price pursuant to section 31
- d) demand the purchase be cancelled pursuant to section 32
- e) claim compensation pursuant to section 33.

The consumer's right to claim compensation is not nullified by his or her submission of other claims or by the fact that such claims cannot be submitted.

With respect to other faults in the seller's performance, the provisions relating to defects apply to the extent they are pertinent. The parties may agree to another solution. However, this contractual freedom does not apply to any installation obligations stipulated in the sales contract.

Section 27. *Complaints*

If an item is defective, the consumer must, within a reasonable period of time after he or she discovered or should have discovered the defect, notify the seller that he or she intends to submit a formal complaint with respect thereto. The deadline for submitting a complaint can never be shorter than two months from the point at which the consumer discovered the defect.

Any complaint must be submitted no later than two years after the consumer took possession of the item. If, when in normal use, the item or any part thereof is meant to last substantially longer, the deadline for submitting a complaint is five years. This does not apply as long as the seller, by means of a guarantee or other agreement, has assumed liability for defects over a longer period. Nor do the deadlines stipulated in subparagraphs 1 and 2 herein apply if there exists a defect pursuant to section 15 (2) (g).

Complaints may instead be submitted to the party who, as agreed with the seller, has undertaken to rectify the defect.

If the consumer fails to submit a complaint in time, he or she loses the right to claim a defect. This does not apply if the seller has acted with gross negligence or otherwise dishonourably or in bad faith. The right to claim a defect may also be lost pursuant to the provisions of the Claims Limitation Act.¹

0 Amended by Act 15 June 2007 No. 36.

1 Foreldelsesloven

Section 28. *Right to withhold payment*

The consumer is entitled to withhold payment to cover claims resulting from the defect, but not obviously more than that amount which would provide reasonable surety for the claim.

Section 29. *Rectification and redelivery (remediation)*

The consumer may choose whether to demand that the seller cause the defect to be rectified or deliver a corresponding item (redelivery). This does not apply if fulfilment of the claim is impossible or would cause the seller to incur unreasonable costs.

When determining whether the costs concerned are unreasonable pursuant to paragraph 1 (ii) above, particular emphasis shall be placed on the value of a defect-free item, the defect's significance and whether other remedies can be implemented without material inconvenience to the consumer.

Even though the consumer demands neither rectification nor redelivery pursuant to this Act, the seller may offer rectification or redelivery if this takes place immediately. If the seller causes such rectification or redelivery to take place in accordance with this Act, the consumer is not entitled to demand a reduction in price or the cancellation of the purchase.

Section 30. *Fulfilment of remediation*

Remediation shall take place at no cost and without material inconvenience to the consumer within a reasonable period of time and without any risk that the seller will not cover the cost of the consumer's outlays.

The seller is not entitled to make more than two attempts to rectify the same defect, unless there are particular reasons which make further remediation efforts reasonable.

If the seller's remediation efforts would cause the consumer to be prevented from using the item in question for more than one week, the consumer may demand that a replacement item be placed at his or her disposal at the seller's cost. However, this applies only if the claim appears to be reasonable in relation to the consumer's needs and the cost or inconvenience that the seller would incur.

If no defect exists, the seller may demand payment only for those investigations that have been necessary to determine whether a defect exists, and payment for the repair of the item, if the seller has explicitly made the consumer aware that the consumer himself or herself must cover such costs.

Section 31. *Price reduction*

If the defect is not rectified and no redelivery takes place pursuant to sections 29 and 30, the consumer may demand a suitable reduction in price, such that the relationship between the reduced and the agreed price corresponds to the relationship between the item's value in its defective condition and its contractually specified condition at the time of delivery.

The price reduction may instead be set such that it equals the defect's significance for the consumer, if particular grounds weigh heavily in favour thereof.

The consumer may not demand a price reduction in connection with the sale of second-hand items at auction where he or she has the opportunity to be present.

Section 32. *Cancellation*

Instead of a price reduction pursuant to section 31, the consumer may demand that the purchase agreement be cancelled, except when the defect is immaterial.

Section 33. *Compensation*

The consumer may claim compensation for losses he or she suffers as a result of the fact that the item is defective.

If the matter relates to an agreement with a power grid company for the supply of electrical energy (see section 2 (1) (d)), the consumer may claim compensation for losses resulting from the defect. However, this does not apply as long as the power grid company proves that the defect is due to an impediment, as mentioned in section 24 (2). The other provisions of section 24 apply correspondingly.

Compensation is assessed in accordance with the rules set out in Chapter 11.

0 Amended by Act 30 June 2006 No. 46.

Section 34. *Damage caused by the defective goods*

The seller's liability to indemnify losses resulting from a defect encompasses not only damage to the item sold itself, but also damage to objects which the item sold is used in the production of, or which has a close and direct association with the intended use of the item sold.

The consumer may claim compensation for damage caused by the defective item other than that mentioned in paragraph 1 above, unless the seller proves that the loss is not due to fault or negligence on the part of the seller.

When the seller pays compensation for damage to things other than the actual item sold, the seller accedes to any claims the consumer may submit to the producer pursuant to Act of 23 December 1988 No. 104 relating to Product Liability.¹

1 Produktansvarsloven

Section 35. *Claims against previous intermediaries in the sales chain, etc.*

The consumer may submit his or her claim against the seller on the grounds of defect to a previous professional intermediary in the sales chain if a corresponding claim for defect may be submitted by the seller or another party who acquired the item from the said previous intermediary.

Any agreement in an earlier segment in the sales chain that restricts the claims of the seller or any other acquiring party cannot be applied to the consumer's claims pursuant to paragraph 1 above to a greater extent than that which could be agreed between the consumer and the seller.

The provisions set out in section 27 with respect to complaints apply correspondingly to claims submitted pursuant to this section.

The consumer may, at the same terms and conditions as in paragraphs 1-3 above, submit claims for defect to a tradesperson who, as agreed with the seller or a previous intermediary in the sales chain, has performed work on the item concerned.

The consumer may also submit claims under section 84 (1) of the Act of 13 May 1988 No. 27 relating to the Sale of Goods,¹ if this gives the consumer greater rights than those which follow from this section.

Previous intermediaries in the sales chain may not set off their claims against the seller against the consumer's direct claim.

¹ Kjøpsloven

Section 36. *Liability for information under section 16 (2)*

When a producer or other previous intermediary in the sales chain has provided information as stipulated in section 16 (2), he or she is jointly and severally liable with the seller for any losses the consumer suffers as a result of that information.

Chapter 7. The consumer's obligations

Section 37. *The size of the purchase price*

If a purchase has been made without the price being specified in the agreement or in information provided by the seller in advertisements, display offers, etc, the consumer shall pay the prevailing price at the time the agreement was entered into for the same type of goods sold under similar conditions, unless the price is unreasonable. If no such prevailing price exists, the consumer must pay that which is reasonable taking into consideration the nature and quality of the item and circumstances otherwise.

If the purchase price is to be set on the basis of number, measurement or weight, the amount at the time the risk relating to the item is transferred to the consumer shall be used. If the price is determined according to weight, the weight of the packaging shall be deducted first.

In addition to the purchase price, the seller may not charge for the issue and transmission of an invoice unless this is clearly stipulated in the agreement.

Section 38. *Date of payment. Withholding of payment*

If the date of payment is not stipulated in the purchase agreement, the consumer shall pay the amount when the seller so demands.

Unless otherwise agreed, the consumer has no duty to pay the purchase price unless the item has been handed over or placed at his or her disposal in accordance with the purchase agreement and this Act.

The consumer is not bound by any agreement in advance requiring him or her to pay at a specified time irrespective of whether the seller fulfils the agreement at the correct time.

Before the consumer pays, he or she is entitled to be allowed to inspect the item in the normal way, when this is not incompatible with the agreed procedure for delivery and payment of the purchase price.

Section 39. *Place of payment*

The purchase price shall be paid at the seller's place of business. If the seller has more than one place of business, the place of business with the closest connection to the purchase shall be used, taking into account the parties' assumptions at the time the purchase was made. If the seller has no place of business associated with the purchase, the seller's place of domicile is used. If payment is to take place against delivery of the item or a document, this shall be performed at the place where such delivery takes place.

The seller is liable for increased costs associated with the payment that are due to the place of business having relocated after the purchase was made.

Section 40. *The consumer's contribution to the fulfilment of the purchase*

The consumer shall

- a) provide such assistance as is reasonable to expect of him or her in order for the seller to be able to fulfil the purchase, and
- b) take possession of the item by collecting or receiving it.

Chapter 8. Cancellation and return

Section 41. *Cancellation before delivery*

If the consumer cancels the order before the item is delivered, the seller may not uphold the purchase and demand payment. Unless otherwise stipulated in the purchase agreement, the seller may instead demand compensation for losses deriving from the cancellation of the order.

The parties may agree a normal rate of compensation in the event of cancellation (cancellation fee). The normal rate of compensation cannot be set higher than that which compensation pursuant to Chapter 11 could be expected to amount to.

Unless a cancellation fee has been agreed, compensation is assessed in accordance with the rules set out in Chapter 11.

Section 42. *Return after delivery*

Once the item has been delivered, the consumer is not exempt from paying the purchase price even if the item is returned to the seller.

However, the duty to pay ceases

- a) upon cancellation,
- b) if the Cancellation Act's provisions permitting cancellation during a cooling-off period have been met, or
- c) if a right to return the item follows from the agreement, e.g. if the item has been purchased on approval (home trial, deposit payment).

The consumer may exchange the item if the right to exchange must be deemed to have been agreed or follows from ordinary rules of statute and common law.

Chapter 9. The seller's rights in the event of breach of contract by the consumer

Section 43. *The seller's rights*

If the consumer fails to pay or meet their other obligations under the purchase agreement or pursuant to law, and this is not due to the seller or circumstances on the seller's part, the seller is entitled to

- a) demand fulfilment pursuant to section 44
- b) demand cancellation pursuant to section 45
- c) claim compensation and interest pursuant to section 46
- d) withhold delivery pursuant to section 9.

The seller's right to claim compensation is not nullified by his or her submission of other claims or by the fact that such claims cannot be submitted.

Section 44. *Right to demand fulfilment*

The seller may uphold the purchase and demand that the consumer pay the purchase price. However, this does not apply as long as payment is prevented by halts in transport or payment processing or other circumstances beyond the consumer's control and which the consumer is unable to overcome.

If the item has not yet been delivered, the seller loses the right to demand fulfilment if he or she waits an unreasonable length of time before submitting a claim therefor.

Section 21 applies correspondingly for the seller's right to demand fulfilment of the consumer's duty to assist in the fulfilment of the purchase (see section 40).

Section 45. *Cancellation*

The seller may cancel the purchase on the grounds of late payment or other breach of contract by the consumer, if the consumer's breach of contract is material. The seller may not cancel the purchase once the entire purchase price has been paid.

The purchase may also be cancelled if the consumer fails to pay the purchase price within a reasonable extension to the deadline for performance that the seller has set. The seller may not cancel the purchase within this period of extension unless the consumer has said that he or she will not fulfil their obligations by the deadline.

If the consumer has already taken possession of the item, the seller may cancel the purchase only if this right has been reserved or the consumer rejects the item concerned.

Section 46. *Compensation. Interest*

If the purchase price is not paid on time, the seller may claim interest on the purchase price pursuant to Act of 17 December 1976 No. 100 relating to Interest on Overdue Payments, etc.¹

The seller may also claim compensation for any loss he or she suffers as a consequence of the breach of contract by the consumer. However, this does not apply as long as the consumer proves that the breach of contract is due to a halt in transport or payment processing or other impediment beyond the consumer's control and which he or she

could not reasonably have been expected to have taken into account at the time the agreement was entered into or avoid or overcome the consequences of. The provisions otherwise stipulated in section 24 (3) and (4) apply correspondingly. Compensation is assessed in accordance with the rules set out in Chapter 11.

1 Forsinkelsesrenteloven

Section 47. *Duty to disclose impediments*

If the consumer is prevented from fulfilling the purchase agreement at the correct time, the seller shall be notified of the impediment and its effect on the possibility of fulfilment. If the seller does not receive such notice within a reasonable period of time after the consumer became or should have become aware of the impediment, the seller may claim compensation for losses which could have been avoided had he or she received such notice in time.

Section 48. *Specification*

If the consumer is to decide the item's shape, measurements or other properties, and this is not done within the agreed time or within a reasonable period of time after the seller has so requested, the seller may do so himself or herself in accordance with what he or she must assume is in the consumer's interests. This does not prevent the seller from submitting other claims which he or she may have.

The seller must inform the consumer of the specifications that he or she will use and give the consumer a reasonable deadline for changing the specifications. If, after receiving the seller's notice, the consumer does not do so in time, the seller's specifications become binding.

Section 48a. Disconnection due to the consumer's non-performance of an agreement for the supply of electrical energy

The power grid company may discontinue the supply of electrical energy in the event of a material breach of contract by the consumer with respect to an agreement as stipulated in section 2 (1) (d). However, such disconnection may not be effected if

- a) there is a risk to life, health or significant material damage, or
- b) the consumer has objections to the grounds for disconnection, which are not obviously baseless.

Before disconnection may be effected, the power grid company must give the consumer written notice thereof. This notice shall specify

- a) that disconnection will not occur if the consumer pays any amounts owing no later than four weeks after the notice was sent,
- b) that the consumer should contact the power grid company as quickly as possible if disconnection could pose a risk to life, health or significant material damage, or if the consumer has objections to the grounds for disconnection,
- c) that the consumer may be ordered to defray necessary costs relating to the disconnection and possible reconnection of the consumer's installation,
- d) that the consumer may contact Social Services in the municipality in which the consumer is permanently domiciled to clarify whether the Act relating to Social Services in the Labour and Welfare Administration entitles the consumer to financial assistance to alleviate the situation.

Disconnection may not be effected if Social Services have, within the deadline stipulated in paragraph 2 (a) above, given written notice that they assume responsibility for fulfilling the consumer's obligations.

The power grid company may demand that the consumer defray necessary costs relating to the disconnection and possible reconnection of the consumer's installation. The defrayal of necessary costs relating to the preparation and issue of notices pursuant to paragraph 2 above may be claimed even though disconnection is not effected. The

power grid company may not claim the defrayal of its costs pursuant to subparagraphs 1 and 2 herein if it has acted in contravention of the provisions set out in paragraphs 1-3.

The provisions stipulated in section 45 relating to cancellation for breach of contract by the consumer do not apply. The provisions stipulated in section 55 relating to expected breach of contract do not apply to expected breach of contract by the consumer.

0 Added by Act of 30 June 2006 No. 46, amended by Act 24 June 2011 No. 30.

Chapter 10. Mutually applicable rules on cancellation and redelivery

Section 49. *Effects of cancellation and redelivery*

When the purchase is cancelled, the parties' duty to fulfil the purchase is nullified.

If the purchase has been fulfilled in part or in whole, the return of that which has been received may be claimed. One party may nevertheless withhold that which has been received until the other party returns that which he or she has received. The same applies when the party is entitled to compensation or interest, and reasonable sureties are not provided.

If the seller is to redeliver the item, the consumer may withhold that which he or she has received until redelivery takes place.

Cancellation has no significance for contractual terms and conditions relating to trade secrets, the resolution of disputes or the parties' rights and obligations as a consequence of cancellation.

Section 50. *Financial returns and interest in connection with restoration*

If the purchase is cancelled, the consumer shall credit the seller with any financial returns that he or she has obtained from the item concerned, and give reasonable consideration for material benefits that he or she has derived therefrom.

If the seller is to refund the purchase price, the seller has a duty to pay interest pursuant to Act of 17 December 1976 No. 100 relating to Interest on Overdue Payments, etc, from the day the consumer submitted a claim for defect. If the consumer is required to pay consideration for the benefits deriving from the item, pursuant to paragraph 1 above, the seller is nevertheless obliged to pay such interest from the day the seller received payment thereof.

Section 51. *Loss of entitlement to demand cancellation or redelivery*

The consumer may cancel the purchase or demand redelivery only if the item is restored to the seller in materially the same condition and amount as he or she received it. However, the consumer does not lose the right to cancel or demand redelivery if

- a) it is impossible to restore the item to the seller in materially the same condition and amount because of the item's character or other circumstances unrelated to the consumer,
- b) the item has perished or become impaired as a result of an action which was needed to examine whether the item was defective, or
- c) the item has, in whole or in part, been consumed or altered by the consumer in accordance with its intended use before he or she discovered or should have discovered the defect which is the cause of its rejection.

Nor does the consumer lose the right to cancel the purchase or demand redelivery if, upon its restoration to the seller, he or she indemnifies the loss of value the item has incurred.

Chapter 11. Mutually applicable rules relating to compensation

Section 52. *The scope of compensation*

Compensation for breach of contract by one party shall correspond to the financial loss, including outlays, price difference and lost profit, which the other party has suffered as a result of the breach of contract. However, this applies only to losses that could reasonably have been foreseen as a possible consequence of the breach of contract.

Compensation does not cover

- a) losses resulting from personal injury
- b) losses incurred by the consumer's commercial activities.

Section 53. *Calculation of price difference at cancellation*

If the purchase is cancelled and the consumer makes a substitute purchase or the seller makes a substitute sale in a proper manner and within a reasonable period of time after cancellation, the price difference will be calculated on the basis of the purchase price and the price agreed in the substitute transaction.

If the purchase is cancelled and no substitute transactions pursuant to paragraph 1 above are performed and a prevailing price exists for the item concerned, the price difference will be calculated on the basis of the purchase price and the prevailing price when the purchase was cancelled.

The prevailing price is deemed to be the price at the place of delivery for an item of the same type or, if no prevailing price applies there, at another place which may reasonably be equated thereto, though taking into consideration any differences in transport costs.

Section 54. *Duty to limit the loss. Limitation of liability*

Any party claiming breach of contract by the other party shall take reasonable steps to limit his or her loss. Any failure to do so, will result in he or she having to bear the corresponding portion of the loss on his or her own account.

Compensation may be curtailed if it would seem unreasonable for the liable party, given the size of the loss in relation to the loss which normally occurs in similar cases, and circumstances otherwise.

Chapter 12. Miscellaneous provisions

Section 55. *Expected breach of contract*

The provisions set out in sections 61 and 62 of the Act of 13 May 1988 No. 27 relating to the Sale of Goods apply with respect to expected breach of contract.

Section 56. *Insolvency proceedings*

The provisions set out in Chapter 7 of the Satisfaction of Claims Act¹ apply should either of the parties become subject to insolvency proceedings.

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Section 57. *Breach of contract with respect to part of the item*

If the seller's breach of contract encompasses only a portion of the item sold, the provisions relating to defects and delays set out in Chapters 5 and 6 apply to that portion. The consumer may cancel the purchase in its entirety when the breach of contract is material to the whole purchase.

If, under the circumstances, the seller must be assumed to have terminated his or her delivery despite everything not having been delivered, the provisions relating to defects apply.

Section 58. *The consumer's right to cancel when delivery is to be made in stages*

If the seller is to deliver the item in stages, and a breach of contract relates to an individual sub-delivery, the consumer may cancel the said delivery pursuant to the provisions relating to cancellation.

If the breach of contract gives the consumer good reason to expect that a breach of contract entitling him or her to cancel the purchase will occur in connection with subsequent deliveries, the consumer may cancel such deliveries if he or she does so within a reasonable period of time.

If the consumer cancels an individual delivery, he or she may simultaneously cancel the purchase of previous or subsequent deliveries which, due to the connection between them, cannot be used for the purpose presumed by the parties when the agreement was entered into.

Section 59. *The seller's right to cancel when delivery is to be made in stages*

If the seller is to deliver the item in stages, and the consumer pays or assists in equivalent ways, and the consumer commits a breach of contract in connection with an individual sub-delivery, the seller may cancel this delivery pursuant to the provisions set out in section 45.

If the breach of contract gives the seller good reason to expect that a breach of contract entitling him or her to cancel the purchase will occur in connection with subsequent deliveries, the seller may cancel such deliveries if he or she does so within a reasonable period of time.

Section 60. *Care of the item*

If the consumer does not collect or accept the item at the correct time or circumstances otherwise on the consumer's part have resulted in it not being placed in his or her possession, the seller shall, at the consumer's expense, take such care of the item as is reasonable under the circumstances, if the seller has the item in his or her custody or can otherwise take care of it.

If the consumer wishes to reject an item which he or she has taken possession of, the consumer shall, at the seller's expense, take such care of the item as is reasonable under the circumstances. If the consumer wishes to reject an item sent to him or her and placed at his or her disposal at the place agreed, the consumer shall take care of it at

the seller's expense, if the consumer can do so without paying the purchase price or incurring unreasonable expense or inconvenience. However, this does not apply if the seller or someone acting on behalf of the seller can take care of the item at the place agreed.

Any party who has a duty to take care of the item may let a third party have it in their keeping pursuant to the provisions of section 74 of the Act of 13 May 1988 No. 74 relating to the Sale of Goods. Correspondingly applicable are sections 75, 76, 77 and 78 of the same Act, relating to a party's right to compensation and right of retention, to the sale of or other disposal of the item, and to the calculation and crediting of any returns thereon.

Section 61. *Particular definition of consumer in certain international purchases*

For agreements relating to the purchase of goods which are entered into by parties whose places of business or domicile are in different states outside the EEA, this Act applies to the purchase of goods for personal use by the buyer, the buyer's family or household, unless the seller, before or at the time the agreement was entered into, neither knew nor should have known that the item was being purchased for such a purpose.

Section 61a. (Repealed)

0 Added by Act 30 June 2006 No. 46, repealed by Act 17 June 2016 No. 29.

Chapter 13. Entry into force and amendments to other legislation

Section 62. *Entry into force*

This Act enters into force on 1 July 2002.

This Act applies only to agreements entered into after it has entered into force.

Section 63. *Amendments to other legislation*

From the time this Act enters into force, the following amendments are made to other legislation: ---