



**GCE A level**

1254/01

**LAW – LA4**

**UNIT 4: Understanding Law in Context:  
Freedom, the State and the Individual  
OPTION 1: Contract and Consumer Law**

A.M. FRIDAY, 14 June 2013

2½ hours

### **ADDITIONAL MATERIALS**

In addition to this examination paper, you will need a 12 page answer book.

### **INSTRUCTIONS TO CANDIDATES**

Use black ink or black ball-point pen.

Answer **two** questions from Section A and **one** question from Section B.

Write your answers in the separate answer book provided.

### **INFORMATION FOR CANDIDATES**

Each question carries 25 marks.

The number of marks is given in brackets at the end of each question or part-question.

You are reminded that assessment will take into account the quality of written communication used in your answers.

*You are reminded that this paper contains a synoptic element in Section B and will test understanding of the connections between the different elements of the subject.*

**SECTION A**

*Answer two questions from this section.*

1. Evaluate the licensing provisions relating to credit brokers under consumer credit legislation. [25]
2. Discuss the impact of the Consumer Credit Act 2006 in strengthening the protection for vulnerable debtors. [25]
3. Critically evaluate the concept of connected lender liability under Section 75 of the Consumer Credit Act 1974. [25]
4. Evaluate the concept of measuring loss in damages claims for consumers. [25]

## SECTION B

*Answer one question from this section.*

5. Study the text below and answer the questions based on it.

### *Consumer enforcement*

We will address the most serious national consumer problems, maximising the deterrent effect of our actions and taking precedent setting cases in order to clarify the evolving area of consumer protection law including, in particular, the still relatively new Consumer Protection Regulations. We will continue our work with local authority Trading Standards Services, jointly develop an improved system for identifying priority national issues, developing strategies for dealing with them, and agreeing who is best placed to tackle them whether individually or in partnership. Working effectively in partnership with others in this way will become increasingly important as the Government's proposals for reform of the consumer protection regime begin to take shape.

### *Consumer credit enforcement*

We will continue to make targeted use of our credit enforcement tools, focusing enforcement on high risk activities and conduct that particularly affect vulnerable consumers, including taking any action arising from our recently launched review of compliance with the Irresponsible Lending Guidance in the payday loan sector. We will maintain a strong gateway into the market, so that those who are not fit to hold a licence are kept out.

[Source: *Office of Fair Trading Annual Plan 2012*]

- (a) Explain the role of the Office of Fair Trading in the licensing of consumer credit business. [11]
- (b) Assess the role of the civil process in enforcing consumer rights in the law of England and Wales. [14]

6. Study the text below and answer the questions based on it.

The Sale of Goods Act was drafted in the nineteenth century. The draftsman of this act was Chalmers. His purpose was to reflect, in statutory form, the common law position as established in the case law. His success is such that the modern Sale of Goods Act is still based on the same law.

- (a) Explain the approach adopted in the Sale of Goods Act with regard to express and implied terms in sale contracts. [11]
- (b) Assess the doctrine of “let the buyer beware” as a principle of the Common Law. [14]