

Unfair contract terms regime extended today

[Allan Yeoman](#), [Amy Ryburn](#), [Susie Kilty](#), [Catherine Miller](#), [Anna Parker](#), [Keri Johansson](#)

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Changes to the Fair Trading Act 1986 (the Act) come into force today, extending the unfair contract terms regime to standard form small trade contracts. The new provisions apply to standard form contracts between parties who are in trade, where the value of the trading relationship is less than the annual value threshold of \$250,000 when the relationship first arises. We have prepared a [quick guide](#) to help you determine whether the provisions apply to your contracts, identify when a term is unfair, and understand what the consequences are.

Our previous [legal update](#) sets out our recommendations for the steps your business should be taking, and gives examples from Australia of the types of terms that could also raise issues in New Zealand under the new provisions.

Additional changes to the Act including the new prohibition on unconscionable conduct, as well as changes to uninvited direct sales, are now also in force. The Commerce Commission has today released some high level [guidance](#) on the changes.

If you would like any assistance in considering the new provisions or reviewing your standard terms more generally, please contact one of our [consumer](#) and [commercial](#) law experts.

Auckland

188 Quay Street
Auckland 1010

PO Box 1433
Auckland 1140
New Zealand

P: +64 9 358 2555
F: +64 9 358 2055

Wellington

Aon Centre
1 Willis Street
Wellington 6011

PO Box 2694
Wellington 6140
New Zealand

P: +64 4 499 4242
F: +64 4 499 4141

Christchurch

83 Victoria Street
Christchurch 8013

PO Box 322
Christchurch 8140
New Zealand

P: +64 3 379 1747
F: +64 3 379 5659