TERMS OF BUSINESS

[Note: These terms are for selling to businesses. If any of your customers are consumers, you need separate consumer terms: the Consumer Rights Act 2015 gives consumers rights to goods of satisfactory quality, fit for purpose and as described, and to services performed with reasonable care and skill, which cannot be excluded, and distance and off-premises sales carry a 14-day cancellation right. Any term that limits a consumer's rights, or is unfair, will not bind them.]

These terms of business apply from [Effective date] to every contract under which [Your company name], a company registered in England and Wales with company number [Your company number], whose registered office is at [Your company address] (the "Supplier"), sells goods or services to [Client name] of [Client address] (the "Customer").

Agreed terms

1. Definitions

1.1 In these terms:

(a) "Contract" means a contract between the Supplier and the Customer for the sale of Goods or the supply of Services, made under clause 2;

(b) "Goods" means the goods, if any, described in an Order;

(c) "Order" means the Customer's order for Goods or Services, given in writing, by email or through the Supplier's ordering system;

(d) "Services" means the services, if any, described in an Order; and

(e) "Specification" means any description or specification of the Goods or Services that the parties have agreed in writing.

2. How a contract is made

2.1 These terms apply to every Contract, to the exclusion of any terms the Customer seeks to impose, including on a purchase order, or that are implied by trade, custom or course of dealing.

2.2 Each Order is an offer by the Customer to buy Goods or Services on these terms. It is accepted only when the Supplier confirms it in writing or starts to perform it, at which point a Contract is made.

2.3 A quotation is not an offer. It is valid for 30 days from its date unless it says otherwise.

2.4 Samples, drawings, brochures and descriptions are for illustration only and do not form part of a Contract unless the Contract says so.

3. Goods

3.1 The Goods will correspond with their description and any Specification, and on delivery, and for 12 months afterwards, will be free from material defects in design, material and workmanship and of satisfactory quality.

3.2 If the Customer tells the Supplier in writing within a reasonable time of discovering that Goods do not comply with clause 3.1, and gives the Supplier a reasonable chance to

examine them, the Supplier will at its option repair or replace them or refund their price. That is the Customer's only remedy for Goods that do not comply.

3.3 Clause 3.2 does not apply where the defect arises from fair wear and tear, wilful damage, negligence, abnormal storage or use, failure to follow the Supplier's instructions, or alteration without the Supplier's consent.

4. Services

4.1 The Supplier will provide the Services with reasonable care and skill, in line with good industry practice and in all material respects in line with the Specification.

4.2 The Supplier will use reasonable endeavours to meet any dates stated in an Order, but time is not of the essence for the Services.

4.3 The Customer will co-operate with the Supplier, give it the information, access and decisions it reasonably needs when it needs them, and make sure the information it gives is complete and accurate. The Supplier is not liable for any delay or failure caused by the Customer not doing so.

5. Delivery, risk and ownership

5.1 Goods will be delivered to the address in the Order on or around the date stated. Delivery dates are estimates, and time of delivery is not of the essence.

5.2 Risk in the Goods passes to the Customer on delivery.

5.3 Ownership of the Goods passes to the Customer only when the Supplier has received payment in full for them. Until then the Customer will keep the Goods separate, identifiable and insured, and the Supplier may recover them if payment is overdue.

5.4 The Customer will inspect Goods on delivery and tell the Supplier of any shortfall or visible damage within five working days.

6. Price and payment

6.1 The price is the price in the Order or, if none is stated, the Supplier's list price at the date of the Order. Prices exclude VAT, which the Customer will pay at the rate in force, and, unless the Order says otherwise, exclude delivery charges.

6.2 The Supplier will invoice on delivery of the Goods or, for Services, [Billing frequency]. The Customer will pay each invoice in full, in cleared funds, within [Payment terms (days)] days of its date, without any set-off, deduction or withholding.

6.3 If the Customer pays late, the Supplier may charge interest on the overdue amount at [Interest on late payment (% a year above base rate)]% a year above the Bank of England base rate from time to time, from the due date until payment, and may suspend deliveries and Services until it is paid.

[Note: Between businesses, the Late Payment of Commercial Debts (Interest) Act 1998 gives statutory interest at 8% above base rate, plus fixed compensation, unless the contract gives a substantial remedy of its own. A contractual rate well below 8% may not count as substantial, in which case the statutory rate applies anyway. The Commercial Payments Bill, which completed its Lords stages in October 2026 and is now before the House of Commons, would cap payment terms between businesses at 60 days and make statutory interest a term that a contract cannot exclude or vary. It is not law yet; check its progress before relying on a long payment term or a lower rate.]

7. Intellectual property and confidentiality

7.1 All intellectual property rights in the Goods, the Services and anything the Supplier creates in providing them remain with the Supplier, except as an Order expressly says. The Supplier gives the Customer a non-exclusive, royalty-free licence to use any deliverables for its own business purposes, once they have been paid for.

7.2 Each party will keep the other's confidential information confidential, and use it only to perform or receive the benefit of the Contract, except where disclosure is required by law or a regulator. This continues after the Contract ends.

8. Data protection

8.1 Each party will comply with data protection law in relation to personal data it processes under a Contract. Where the Supplier processes personal data on the Customer's behalf, it will do so only on the Customer's documented instructions and on terms that meet Article 28 of the UK GDPR, which the parties will put in writing.

9. Limitation of liability

9.1 Nothing in these terms limits or excludes liability for death or personal injury caused by negligence, for fraud or fraudulent misrepresentation, for breach of the terms implied by section 12 of the Sale of Goods Act 1979, or for anything else the law does not allow to be limited.

9.2 Subject to clause 9.1, the Supplier is not liable, whether in contract, tort (including negligence) or otherwise, for any loss of profit, revenue, business, goodwill or anticipated savings, or for any indirect or consequential loss.

9.3 Subject to clause 9.1, the Supplier's total liability under or in connection with each Contract is limited to the greater of [Limit of liability] and the price paid under that Contract.

9.4 Except as these terms say, the terms implied by sections 13 to 15 of the Sale of Goods Act 1979 and sections 3 to 5 of the Supply of Goods and Services Act 1982 are excluded, so far as the law allows.

[Note: Between businesses, a limit or exclusion of liability in standard terms must pass the reasonableness test in the Unfair Contract Terms Act 1977. Set a limit you could justify against the value of the contracts and your insurance, and take advice if the stakes are high.]

10. Events outside a party's control

10.1 Neither party is liable for any delay or failure to perform caused by events beyond its reasonable control, such as fire, flood, pandemic, war, terrorism, strike by a third party's workforce, or failure of a utility or carrier. If such an event lasts more than 60 days, either party may end the affected Contract by written notice.

11. Ending a contract

11.1 Either party may end a Contract at once by written notice if the other:

(a) commits a material breach of it and, if the breach can be put right, does not put it right within 14 days of being asked to in writing; or

(b) becomes insolvent, has an administrator, receiver or liquidator appointed, makes an arrangement with its creditors, or stops trading.

11.2 The Supplier may also end a Contract by written notice if the Customer fails to pay any amount when due.

11.3 Either party may end the arrangement under which these terms apply by giving [Notice period (days)] days' written notice, but Contracts already made continue on these terms unless they are ended under this clause.

11.4 When a Contract ends, the Customer will pay all outstanding invoices, and the Supplier may invoice for Goods delivered and Services performed but not yet invoiced, payable at once. Clauses that are meant to continue, including clauses 5.3, 7, 9 and 12, survive.

12. General

12.1 These terms, with the Order, are the whole agreement between the parties about each Contract. The Customer confirms it has not relied on any statement not set out in them.

12.2 A change to these terms or to a Contract is valid only if it is in writing and signed by both parties.

12.3 The Supplier may update these terms by giving the Customer at least 30 days' written notice. The updated terms apply to Orders placed after they take effect.

12.4 Neither party may assign or transfer its rights under a Contract without the other's written consent, which will not be unreasonably withheld, except that the Supplier may subcontract performance and remains responsible for it.

12.5 Notices must be in writing and sent to the other party's registered office or the email address it has given for notices.

12.6 If any part of these terms is found invalid, the rest continues in force.

12.7 Only the parties may enforce a Contract. The Contracts (Rights of Third Parties) Act 1999 does not apply.

12.8 These terms, every Contract and any dispute arising from them, including non-contractual disputes, are governed by the law of England and Wales, and the courts of England and Wales have exclusive jurisdiction.

[Note: If you or the Customer are based in Scotland or Northern Ireland, you may prefer that jurisdiction's law and courts; change clause 12.8 to suit. In Scotland the Sale of Goods Act 1979 and the Unfair Contract Terms Act 1977 apply with some differences, so take advice.]

Customer's acceptance

I confirm that I am authorised to accept these terms on behalf of [Client name], that it buys as a business and not as a consumer, and that these terms will apply to every Order it places: ☐

Signed by an authorised signatory for and on behalf of [Client name]

Signature _____

Name _____

Position _____

Date _____

About this template

A starting point to adapt, not legal advice. The law differs between England and Wales, Scotland and Northern Ireland, and it changes: check this fits your situation, and take legal advice for anything significant. Replace each [placeholder] in violet, follow or delete each [Note], then delete this box. Last reviewed October 2026. Send it for signature with Sign2Approve: sign2approve.com/templates/terms-of-business