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[Home](#) > [For Businesses](#) > [Corporate & Commercial Law](#) > Purchasing Products - fit for purpose

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## Purchasing Products

If you are purchasing products, you should be asking yourself:

- **Which products?**
- **How much?**
- **When will I get them and how?**

Regarding the question “**which products**”, although this may seem quite obvious, you need to make it clear to the supplier, what you are looking for, and ensure that you obtain a full specification of the products before you agree to buy them. You also must ensure that this full specification is part of the contract with the supplier. This is because, if you discover that the products are not what you agreed to buy, you will need to have something to show that this is the case, if you want the supplier to take back the products and give you your money back. Or, if the products are not fit for purpose, or of satisfactory quality, you will want to have the necessary documentation to ensure that you will have to be given replacements. If the products are high value, you may need to have some acceptance tests, and agree before purchasing the products, what will happen if the products fail the tests.

“**How much**” is also a simple question, but it is often overlooked, whether or not VAT has been included in the price. Similarly, does the price include the costs of packaging, delivery, unpacking, dealing with unloading, any import duties and insurance during transit? As a result of these considerations, you must pay particular attention to where the products are coming from, and any import costs or restrictions that may apply – do you and the supplier have all necessary licences and consents? If the contract is for ongoing supplies of the products to you, can the price ever be changed? Will you be charged extra for any late payment?

“**When**” – if you are incorporating the products into your own products, the time of delivery may be very important, and you should ensure that appropriate clauses in your contract deal with this, otherwise you could be in breach of your own contracts of sale. Also, the way the products are delivered could greatly affect the price – do you have to collect the products, or

will the products be delivered to you by the supplier or another company? If a courier is delivering to you, who will be liable if the courier damages the products? If you are going to have regular deliveries, are you fully in control of them? Do you have to buy the products on an exclusive basis from this supplier, or can you decide to buy from someone else?

If you would like any further information about purchasing or supply agreements, please contact Fahmida Ismail on 0121 698 2200 or [f.ismail@sydneymitchell.co.uk](mailto:f.ismail@sydneymitchell.co.uk) <sup>[1]</sup>.

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#### **Links**

[1] <mailto:f.ismail@sydneymitchell.co.uk>