

New Regulations That Affect Your Business

The Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013

The Regulations came into force on 14 June 2014 and directly affect you if you provide goods and services off trade premises e.g. in a consumer's home

If you don't comply with the new Regulations you may not get paid for your work and you could be committing a criminal offence

This guide is designed to help you to make sense of the Regulations





Contracts to which the Regulations Apply

What are off-premises contracts?

- A contract between a consumer and a trader, when both parties are together, and the **contract is agreed** somewhere other than your business premises e.g. a consumer's home or place of work
- A contract between a consumer and a trader, when both parties are together, and an offer is made by the consumer somewhere other than your business premises e.g. a consumer's home or place of work
- A contract between a consumer and a trader, that is agreed on your business premises or through any means of distance communication - immediately after you have met with the consumer somewhere other than your business premises e.g. a consumer's home or place of work
- A contract between a consumer and a trader, that is agreed during an excursion that you have organised with the aim of promoting and selling goods or services to the consumer

A customers right to cancel has increased from 7 days to 14 days

There is a new cancellation form

There is extra information that you must give to the consumer

What does withdrawal or cancellation mean?

If a customer withdraws or cancels a contract, both yours and their obligations under the contract are ended.

You must reimburse the customer all that they have paid within 14 days from the day after they informed you of their decision.

What if I supplied a service within the cancellation period?

The regulations do allow for a contract to be started within the cancellation period BUT the consumer must have clearly requested this in a durable medium such as in writing or e-mail.

Can a customer withdraw or cancel once I have completed the contract?

No. A consumer loses their right to cancel a contract that has been performed fully within the cancellation period. BUT, this is only if they have clearly requested this and acknowledged that they would lose their right to cancel once the contract had been performed fully.

Can a customer withdraw or cancel once I have started the contract?

Where the contract has been started within the cancellation period at the clear request of the customer, but has not been completed, the customer still has the right to cancel.

However they will have to pay for the service used during the time up to when they informed you of their decision to cancel.

A consumer will not have to pay you for services supplied in the cancellation period, if you did not provide them with the information set out on pages 3 and 4 of this guide, should you start work within the cancellation period.

The consumer does not have to pay if they have not expressly requested you to start within the cancellation period.

What is cancellation?

Customers can cancel their contract for up to 14 days after the day on which the contract was made

If a customer decides that they do not want to continue with the contract, they can:

1. Withdraw their offer if it has not been accepted by the trader; or
2. Cancel a contract within the cancellation period

If you do not provide consumers with information about their right to cancel, the cancellation period is extended to 14 days after the day that you do give them this information. The longest that this period may be extended to is 12 months and 14 days.

Remember if you do not provide this information on paper, or in another durable way such as email (if the customer agrees to this), you may be committing a criminal offence.

Customers can withdraw or cancel the contract within the cancellation period by telling you that they want to withdraw or cancel. They don't have to do this in a specific way but any statement of withdrawal or cancellation has to be clear. You could provide them with the model cancellation form on page 6 of this booklet.

Withdrawal or cancellation is effective if the statement of withdrawal or cancellation is sent to you before the end of the cancellation period – the key time is when the communication was sent – not when you received it.

REMEMBER

If the right to cancel exists the customer must be given the correct cancellation form, a model form can be found on page 7.

Contracts for urgent repairs or maintenance are not covered by the regulations - but this exemption will not apply to other goods or services provided at the same time.



What information do I need to give customers?

When you contract with a customer away from your business premises, you have to give the customer the information below (provided the goods or services they are buying cost more than £42). Use this as your checklist.

1. The main characteristics of the goods or services
2. Your identity e.g. your trading name
3. The geographical address that you trade from and, where applicable, a telephone number, fax number and email address
4. If you are acting on behalf of another trader, their identity and trading address
5. If there is a different address for consumer complaints this must also be given
6. The total price of the goods or services including tax (such as VAT). If that cannot be calculated in advance you must say how it will be calculated
7. All delivery and other costs – if these cannot be calculated in advance you must say that they are payable

If you don't give the customer this information you may be committing a criminal offence

If you don't give the customer this information you may not get paid!!

The information must be clear, comprehensible and legible
It must be given before they enter into a contract with you
It must be given on paper or, if the customer address, on another durable medium such as email

8. Your complaint handling policy
9. The conditions, time limits and procedure for exercising a right to cancel. This information may be provided by completing the Model Cancellation Form (see page 6)
10. If you are offering a contract where consumers can request you to start within the cancellation period, you must tell them that if they choose to cancel they will be required to pay you the reasonable costs of the service that you have delivered up to the time of their cancellation within the cancellation period. This information may be provided by completing the Model Cancellation Form (see page 6)
11. If you offer any after sales consumer assistance, services or guarantees you must make consumers aware of this and any applicable conditions
12. If consumers are required to give deposits or other financial guarantees you must inform them of this obligation and any applicable conditions

Once you have agreed a contract, you must give the customer a copy of the signed contract (on paper or, if the customer agrees, on another durable medium such as email)

The contract must have all the applicable information from the checklist

The copy must be given no later than when you deliver the goods or start the service

Model Cancellation Form

If you wish to cancel this contract you MUST DO SO IN WRITING and deliver personally or send (which may be by electronic mail) this to the person named below. You may use this form if you want to but you do not have to.

To: (trader name) _____

Address: _____

Home Telephone: _____

Mobile: _____

Email: _____

Fax: _____

I/We* hereby give notice that I/We* cancel my/our* contract of sale of the following goods*/for the supply of the following service*:

Ordered on*/received on*: _____

Name of consumer(s): _____

Address of consumer(s): _____

Signature of consumer(s): _____

(only if this form is notified on paper)

Date: _____

*delete as appropriate



Bath & North East Somerset Council

For further information please visit
www.businesscompanion.gov.uk

Alternatively you can contact Trading Standards for advice by calling 01225 396759, by e-mailing trading_standards@bathnes.gov.uk or visit our website www.bathnes.gov.uk/services/trading-standards

Interested in becoming an approved trader? Call us on 01225 396759 to discuss joining our Buy With Confidence Scheme or visit www.buywithconfidence.gov.uk