

Consumer contracts new rules in force

Trading Standards information

www.southwark.gov.uk

1.0 Introduction

New laws relating to doorstep and distance selling come into effect this month (13 June), so businesses need to be aware of how the changes will affect them.

The Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 replace both the Consumer Protection (Distance Selling) Regulations 2000 (the 'Distance Selling Regulations') and the Cancellation of Contracts made in a Consumer's Home or Place of Work etc Regulations 2008 (the 'Doorstep Selling Regulations').

Although there are many similarities between the old and the new laws, there are some important changes that will affect contracts made on – and away from – business premises. The law now also covers the provision of digital content (such as downloads and 'apps').

2.0 Legal requirements

The regulations set out:

- The information that traders must give to a consumer before and after making a sale
- How that information should be given
- The right of consumers to change their minds when buying at a distance, or off premises
- Delivery times and the passing of risk
- A prohibition on adding additional payments as a default option
- A prohibition on consumers having to pay more than the basic rate for post-contract customer helplines

3.0 Information requirements

With a few exceptions, traders must give certain specific information to consumers who buy goods, services or digital content from them, before they enter into a contract.

For contracts made off premises – or by distance selling – there are 23 pieces of information that traders are required to give to, or make available to, the consumer in clear and legible manner.

Continues/....

Even for on premises contracts – for example, those entered into in a shop – there are certain pieces of information traders are now required to give, unless the contract is for ‘day-to-day goods’.

4.0 New 14 day cancellation period

The major change within the new legislation is the increased cancellation period, which goes from seven calendar days for off-premises contracts – and seven working days for distance contracts – to 14 days for both types of contract. When the 14-day period starts depends on the type of contract.

This means traders – particularly those entering into contracts in the consumer’s home – will need to have new documentation ready in time for 13 June 2014.

5.0 Returning goods

Under the new regulations, there is a clear requirement on consumers who cancel a contract to return any goods to the trader within 14 days of cancellation – and traders must issue the refund within 14 days of a cancellation of a service contract, or the return of the goods.

The regulations provide model instructions for cancellation, with all the information traders must provide to consumers, as well as a model cancellation form.

6.0 No automatic opt ins

Under the new law, traders will no longer be able to pre-tick boxes for additional payments – for example, an online trader must not automatically tick a box to include insurance – and consumers cannot be made liable, under a contract, for any costs or additional charges that they have not been told they will have to bear.

7.0 Telephone helplines – must be standard rates

The final major change introduced by the new legislation relates to telephone helplines through which consumers can contact traders about something they have bought. These must now not charge any more than a standard call.

This means traders can use geographic numbers starting 01, 02 or 03, freephone numbers such as 0800, or a mobile number starting 07, but they cannot use numbers such as 0845, 0844, 0870 or 0871.

To make it easier for traders to comply with the law, the communications regulator, Ofcom, has ensured that anyone seeking to change from an 0845 number has access to an 0345 number instead.

8.0 Further information

If you require further assistance on these matters please contact us. More detailed information is available online from;

- BIS & Trading Standards Institute - www.tradingstandards.gov.uk/advice/advice-business.cfm
- Which? - www.which.co.uk/consumer-rights/regulation/consumer-contracts-regulations