



This leaflet has been produced for guidance only if you wish further advice contact **Trading Standards** at:

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

A guide for traders selling goods and services away from their business premises (off-premises contracts)

The new Regulations require traders to supply more detailed information and introduces a 14 day cancellation period.

Most contracts made between traders and consumers are covered.

There are 4 types of off-premises contracts:

- a contract made where a consumer and trader are together and agree the contract in a place that is not the trader's business premises - for example, in a consumer's home or place of work
- a contract made where a consumer and trader are together and an offer is made by the consumer in a place that is not the trader's business premises - for example, where a consumer signs an order form during a visit to his home and the trader agrees the contract later
- a contract that is agreed on a trader's business premises or through any means of distance communication immediately after a meeting with a consumer in a place that is not the trader's business premises. For example, a salesperson meets a consumer in the high street and convinces him of the benefits of buying a water filter; the consumer is then taken to the local office of the trader to sign the contract for the equipment. An example of this scenario using distance communication would be if the salesperson in the high street takes the consumer's email address and emails him the contract, which the consumer prints and returns by post
- a contract made with the consumer during an excursion organised by the trader with the aim of selling or promoting their goods or services to the consumer. The Regulations do not define an 'excursion'; however, it is possible that this will cover a situation where a trader meets a consumer on holiday and invites him to travel with the trader to a different venue to be sold goods or services

On-premises contracts - The Regulations define an on-premises contract as: 'a contract which is neither off-premises nor a distance contract', which effectively means a contract made on business premises, whatever they may be.

'Business premises' will include a trader's permanent premises as well as temporary premises (such as a market stall) where they usually operate.

The Regulations do not cover the construction of new buildings (or substantially new buildings by the conversion of existing buildings - such as a barn conversion) and the sale of immovable property. However, the construction of extensions to existing buildings will be covered.

- *Sales contracts. This includes contracts for the sale of goods and also for the supply of goods and services together. This will therefore include and the supply and fitting of a patio or bathroom as well as the sale of books and clothes.*
- *Service contracts. This covers contracts that are for services only - for example, the services of a personal trainer or lawyer. Supply of gas and electricity by the utility suppliers will also be covered by this definition, whereas gas and electricity will be classed as goods when sold in limited amounts - for example, batteries and gas in containers*

### **Information Requirements**

The Regulations require that traders give consumers certain information when they are buying goods or services.

There are some contracts which are exempt from this, including contracts for no more than £42.

The information must be clear and comprehensible and must be given on a durable medium i.e. paper.

The information that a trader must give a consumer before they enter into a contract is:

- Details of the work to be carried out, including the price and any additional costs, deposits and timescales
- Traders identity – trading name, address (where complaints can be directed), telephone number, email address and membership to any trade body
- Notification of right to cancel or lack of one, including a cancellation form, and
- If the consumer wishes the work to begin before the 14 days cancellation period has ended, information that the consumer will be liable for reasonable costs incurred by the work carried out; and if the work is completed within the 14 days cancellation period, that the consumer loses their right to cancel.

**If you fail to inform consumers of their right to cancel it is very likely that they cannot be held liable to pay for any work carried out.**

**It is also a criminal offence not to give this information before entering into a contract, with a fine of up to £5,000**

**The consumer is not required to pay for any service supplied before the end of the cancellation period if the trader has not received an express request in a durable medium (in writing) from the consumer acknowledging that they lose the right to cancel if the contract has been fully performed before the end of the cancellation period.**

### **Cancellation period**

A consumer can cancel a contract within a specified period of time. The Regulations give consumers the right to withdraw from a contract that they would otherwise be bound by, providing the contract is not one where there is no right to cancel.

Some contracts are not cancellable:

**NOTICE – contracts where the consumer has specifically requested the trader to call and carry out urgent repairs or maintenance are exempt from the right to cancel as are contracts for no more than £42**

The cancellation period for service contracts is 14 days from conclusion of the contract. The cancellation period for sales contracts is 14 days from delivery of goods.

If a trader does not inform a consumer of their right to cancel before entering into a contract, the cancellation period lasts for 14 days after the trader has informed them of their right or 1 year after the normal cancellation period would have ended if the trader does not inform them of their right.

To exercise their right to cancel the consumer must make a clear statement to the trader that they wish to cancel the contract; the trader must provide a cancellation form but the consumer does not need to use it. If the consumer does use the form, the trader must acknowledge this as soon as possible. See Appendix 1 for the prescribed Cancellation form and instructions of how to use it.

## Appendix 1

### Cancellation form

To [here the trader's name, geographical address and, where available, fax number and email address are to be inserted by the trader]:

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

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### Right to Cancel

You have the right to cancel this contract within 14 days without giving any reason.

The cancellation period will expire after 14 days from the day of the conclusion of the contract.

To exercise the right to cancel, you must inform us (insert trader name, address, telephone number and email address) of your decision to cancel this contract by a clear statement (e.g. a letter sent by post, a fax or an email). You may use the attached model cancellation form, but it is not obligatory.

To meet the cancellation deadline, it is sufficient for you to send your communication concerning your exercise of the right to cancel before the cancellation period has expired.

If you expressly request that the service commences before the cancellation period has ended, you will be liable for reasonable costs incurred during the performance of the contract; if the contract is fully performed before the end of the cancellation period you will lose your right to cancel.

### **In offering this advice Perth and Kinross Council wishes to make it clear that:**

- (i) Only the courts can interpret legislation with any authority; and
- (ii) The advice given is the best available based on evidence to hand at the time and is subject to revision if the law is amended or other circumstances change.