



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 businesses selling goods and services online.

A distance contract is a contract made between a trader and a consumer where they are not together at the same place and, which is negotiated and agreed by one or more means of distance communication - for example, by phone, post or over the internet. Before the regulations apply, the trader must have an organised distance scheme for selling goods and/or services.

The above legislation brings into force new rules for businesses selling goods and services online and replaces the Consumer Protection (Distance Selling) Regulations 2000.

Information Provision

The Regulations require traders to give or make available to consumers certain information before they are bound by a contract. It must be clear, comprehensible and appropriate to the means of distance communications being used. Most of the information would normally be provided in the Terms & Conditions.

The information a trader is required to give is

- The main characteristics of the goods or service, including the total price including any delivery costs, taxes and additional charges
- The identity of the trader, including geographical address, telephone number and email address
- The monthly, or billing costs, of open-ended contracts or subscriptions
- The arrangements for payment (methods of payment accepted); delivery, including scheduled delivery time; and performance of a service contract

- Where a right to cancel exists, the conditions, time limits and procedure to exercise that right and where applicable, that the consumer will have to bear the cost of returning the goods, the trader must supply the consumer with a cancellation form but the consumer is not required to use it – **See Appendix 1**
- Where no right to cancel exists or there are circumstances in which consumers will lose their right to cancel, the consumer must be informed of this
- The duration of the contract and, where applicable, the minimum duration of the contract

For Digital Content, where applicable

- The functionality of digital content, including applicable technical protection measures
- Any relevant compatibility of digital content with hardware and software that the trader is aware of or can reasonably be expected to have been aware of

All of the above information must be supplied to the consumer in a durable medium (paper or email) after the contract has been concluded but no later than

- for goods contracts - the time of delivery
- for service contracts – the beginning of the performance of the contract

If the trader fails to inform consumers about any additional charges or the fact that the consumer must bear the cost of returning goods, the consumer will not need to pay these costs.

Cancellation Rights

Consumers have a right to cancel under most situations, however there are exceptions. These are:

- Goods made to the consumers' specification or personalised
- Goods which are likely to deteriorate or expire rapidly, e.g. perishable
- Supply of newspapers, periodicals and magazines except where there is a subscription contract
- Contracts concluded at public auction – this does not include online auctions

There are also circumstances where consumers lose their right to cancel if they:

- Unseal goods that are not suitable for return if they are unsealed due to health

protection or hygiene reasons

- Unseal audio, video recordings or computer software which was sealed at the time of delivery
- Combine goods with other goods after delivery so that they become inseparable

There are 2 ways in which a consumer can withdraw from the purchase

1. They can withdraw their offer to purchase before the trader has accepted it
2. They can exercise their right to cancel by making a clear statement that they wish to cancel their order or use the cancellation form supplied by the trader

The cancellation period begins when the contract is entered into and ends as detailed below.

The cancellation period for **service** contracts ends 14 calendar days from the day the contract is entered in to.

The cancellation period for **sales** contracts ends 14 calendar days from when the consumer takes physical possession of the goods; or if the order is delivered in multiple deliveries, 14 calendar days from when the last lot is delivered.

If the trader does not inform the consumer of their right to cancel before delivery, the cancellation period is extended to 14 days after the trader does inform the consumer of their right to cancel; if the trader does not inform the consumer of their right to cancel at all, the cancellation period ends 1 year from the day it would have ended had the trader informed the consumer at the correct time.

Effects of Withdrawal or Cancellation

When a consumer withdraws an offer or exercises their right to cancel, both the trader and the consumers' obligations end and the trader must reimburse all payments to the consumer, including any original delivery costs.

There are circumstances where a trader may deduct an amount from the refund

- Where the consumer has chosen a more expensive method of delivery, the trader can deduct the extra cost of that delivery
- Where the value of the goods have been diminished due to the consumer handling the goods more than they would be able to in a shop, the trader can recover his loss from the consumer through a deduction from the refund
- The refund must be made to the consumer within 14 days of the trader receiving the goods back. For a service contract the refund must be made to the consumer within 14 days of the consumer informing the trader of their wish to cancel.

The consumer must send off or hand over the goods to the trader within 14 days of cancelling the contract.

Supply of Digital Content during the Cancellation Period

The trader must not begin the supply of digital content before the cancellation period has ended unless

- The consumer has given express consent, and
- The consumer has acknowledged that the right to cancel will be lost if supply begins before the end of the cancellation period

If either of these have not been received by the trader the consumer shall bear no costs for any service provided in part or full.

Pre-ticked boxes

Where there are additional items linked to the main contract (for example, insurance and/or car hire with a contract for a holiday, or gift-wrapping when purchasing a present) paying for these items must not be the default option e.g. Consumers should not have to untick a box to indicate they do not want optional insurance against damage to their goods whilst being delivered.

Consumers will not be liable for any additional payments that they have not actively consented to. They have the right to request a refund for these payments.

Basic rate telephone helpline charges

If you provide a telephone line for consumers to contact you after they have entered into a contract, you cannot charge more than a basic rate for this service.

You should check carefully whether your phone line does cost consumers more than basic rates. In addition to numbers beginning 09, other revenue-sharing numbers such as 084, 0871, 0872 or 0873 would not comply. Nor would 0870 numbers, which would vary according to the consumer's own phone tariff.

The following numbers will comply with the Regulations:

geographic numbers - starting 01, 02 or 03

- 0800 and 0808 - although these currently may incur a charge for those ringing from a mobile, Ofcom-proposed reforms will soon mean that these will be free in all circumstances
- mobile numbers - starting 07

Time for delivery of goods

Unless you agree otherwise it is your responsibility to deliver the goods that you have sold to a consumer. If you do not agree a delivery time you must deliver the goods no later than 30 days from the day after the contract was made.

A consumer may treat a contract as being at an end and request a full refund in any of the following circumstances:

- You refuse to deliver the goods
- You fail to deliver within the agreed time and it is clear from the circumstances, or from what the consumer has told you, that this agreed time was essential
- The consumer has specified an appropriate delivery period which you fail to meet

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

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 (See note 1)

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.

Note 1 The cancellation period for service contracts is 14 calendar days from the day the contract is entered in to.

The cancellation period for sales contracts is 14 calendar days from when the consumer takes physical possession of the goods; or if the order is delivered in multiple deliveries, 14 calendar days from when the last lot is delivered

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.