

A Traders Guide to Providing Services in Customer's Homes



**Could YOUR Customers Cancel?
Could YOU be out of pocket?**

The following is a guide for traders on the Cancellation of Contracts made in a Consumers Home or Place of Work etc. Regulations 2008, frequently referred to as the Doorstep Selling Regulations.

The **Cancellation of Contracts made in a Consumer's Home or Place of Work etc. Regulations 2008** came into force on 01 October 2008. These Regulations apply to any contract between a consumer and a trader, for the supply of goods or services to the consumer by a trader, which is made during a visit by the trader. The value of the goods or services must be over £35. This visit can be to the consumer's home or place of work, to the home of another individual, during an excursion organised by the trader away from his business premises, or after an offer made by the consumer during such a visit or excursion.



The Regulations apply to almost all contracts with a total payment of more than £35 and they set a 'cooling-off' period in which the consumer can cancel the contact, normally with a full refund of any money paid. This period lasts a minimum of seven calendar days from the making of the agreement. The Regulations also require cancellation rights to be clearly and prominently displayed in any written contract, or provided in writing if there is no written contract (a sample cancellation notice is provided later in this leaflet).

It is a criminal offence not to supply the consumer with a written notice of their right to cancel, in the correct format.



Not only would you be breaking the criminal law by failing to provide this, but you're also putting your business at risk of losing a lot of money. This is because the regulations state that if the trader does not provide the consumer with a notice of cancellation, when the contract is made, then the contract becomes unenforceable. Therefore, put simply, the consumer does not have to pay. To your business this could be a high price to pay simply, for failure to give the customer a small sheet of paper giving them containing information on their legal rights.

Specified Contracts ...

The regulations contain a provision which allows work to commence prior to the end of the 7 day cooling off period, if it is a listed 'specified contract'. This provision states that if consumers decide to have work done, or to receive goods, within the seven-day cooling-off period, they need to give their agreement in writing. If they have given this written agreement for any of the following specified contracts:



- goods supplied to meet an emergency
- goods that are personalised or made to your specification
- goods whose price is dependent on fluctuations in financial markets
- perishable goods
- goods which by their nature are consumed by use and cannot be returned
- goods that have become incorporated into land, or something else
- goods or services relating to a funeral
- supply of newspapers, periodicals or magazines
- advertising in any medium
- supply of services of any kind

and then decide to cancel within the cooling-off period, they have to pay for the work done so far or the goods already received.



Do the Regulations apply to ALL contracts?

No. There are certain exempt contracts to which the regulations do not apply. These are as follows:

- catalogue orders where there is a notice showing the right to return goods or cancel the contract
- contracts relating to shares and investments
- contracts for food and drink supplied by regular rounds-men
- insurance contracts
- contracts for mortgages, home purchase plans or home revision plans made during a solicited visit
- agreements that are cancellable under the **Consumer Credit Act 1974**



- solicited contracts for regulated consumer credit agreements under the Act
- contracts for the construction, sale or rental of property (but they do apply to extensions, patios, conservatories or driveways and to repairs, refurbishment and improvement of property)
- contracts under £35

Not sure when the Regulations apply?

Below are examples of some common situations to help you decide when you need to provide written notice of a consumers right to cancel.

1. Consumer contract - agreed in the consumers home (costing over £35) (e.g. repairs to a house roof)

The regulations would apply in full and a 'Notice of the Right to Cancel' would need to be given to the consumer so that they have the option to cancel if they want to.

This notice needs to be given to the consumers when the actual contract is agreed in the home.

The consumer can either then cancel within the 7 days (if work isn't due to start for over 7 days). Or if it is a specified contract (e.g. emergency repairs to a house roof) and they want it to start earlier than that, then they can sign the bottom of the form to consent to work to starting within the 7 days and accept that any work or materials provided within that time will need to be paid for even if they choose to cancel.

2. Consumer Contract agreed entirely at a distance (email, internet, telephone) without any face to face negotiations.

These Regulations do not apply however there are some regulations called the Distance Selling Regulations 2000 which may be applicable to the contract. For further information on these regulations contact your local Trading Standards Service.

3. Consumer Contract. Attend consumers home to look at work, go away and send consumer a quote (via post, email etc).

Neither the Doorstep Selling Regulations or the Distance Selling Regulations would apply in this instance.

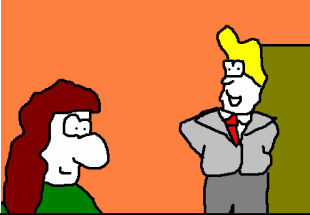
4. Business to business contracts (e.g. catering supplies to a school/ restaurant)

No, these regulations do not apply to business to business contracts, as the above are consumer regulations.

5. Doing repair work for a Letting Agent or Landlord

This is classed as a Business to Business contract and therefore the Doorstep Regs do NOT apply

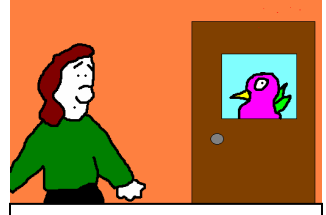
What could happen if I do NOT provide cancellation rights?



Janet wants a new front door so invites salesman John to her home to measure up and give her some quotes.



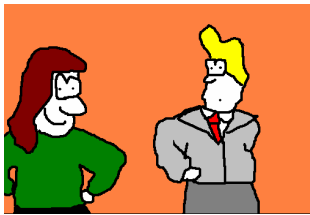
Janet looks through John's catalogue and orders a door with a stained glass bird design on it. It was rather expensive but Janet thought it would be nice to get something a bit different!



When Janet gets home and sees the door fitted, she thinks it's far too outrageous for her house and no longer wants it even though it is identical to the picture in the catalogue.



Janet decides to call consumer direct for some advice. They inform her that there hasn't been any breach of contract as the door is of good quality, is as described and has been fitted perfectly, however, as John didn't leave Janet any information on her right to cancel the contract is legally unenforceable so Janet doesn't have to pay!!



When John comes round to collect payment Janet tells him that she's not paying as the contract is unenforceable so she doesn't have to! John is in shock!!



John calls his local Trading Standards office to see if this is correct and he is informed of the 'Cancellation of Contracts in a Consumer's Home or Place of Work etc Regulations 2008'. John can't believe he's lost out on a lot of money just because he didn't give Janet cancellation rights!

As you can see this legal requirement can put you, as a business, at a huge disadvantage by failure to comply. Not only that, but if you fail to provide the cancellation notice, you could be subject to a fine of up to £5000.

Example of a Cancellation Notice (Taken from the Regulations)

Notice of the Right to Cancel

Trader details: (name/postal address/contact details/inc email address if applicable)

Customer Details: (name/address)

Contract Details: (ref number/details etc. sufficient to identify contract or offer)

Date:

You (the customer) have the right to cancel this contract if you wish. This right can be exercised by delivering, or sending notice to.....(trader) at any time within the period of 7 days starting with the date of receipt of this notice. The notice of cancellation is deemed to be served as soon as it is posted or sent or in the case of electronic communication from the day it is sent. If work on the above contract has begun, with your written agreement, before the end of the cancellation period, you may be required to pay for any good or services supplied.

You may use this cancellation form provided below only if you wish to do so.

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

(Complete, detach and return this form **ONLY IF YOU WISH TO CANCEL THE CONTRACT.**)

To:(trader to insert name and address of person to whom notice may be given within their business)

I/We (delete as appropriate) **hereby give notice that I/We** (delete as appropriate) **wish to cancel my/our** (delete as appropriate) **contract**..... (Trader to insert reference number, code or other details to enable the contract or offer to be identified) (The trader may also insert the name and address of the consumer.)

Signed:

Name and Address:

Date:

Work commencing prior to the expiry of the cancellation period

Trader Name:

I (consumer's name and address) understand that by accepting commencement of the contract for: (details of contract and start date) prior to the end of the 7 day cooling-off period beginning on(date of consumer receiving the 'notice of the right to cancel') that I may be required to pay for goods and services provided up to the point of cancellation and/or may be under a duty to restore any goods acquired before cancellation and meanwhile to retain possession of the goods and to take reasonable care of them.

Signed: (Customers signature)

Date:

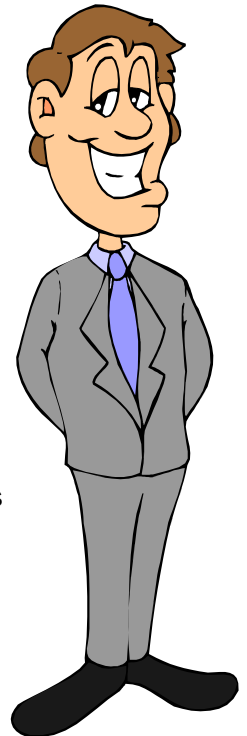
Business Feedback

Upon advising traders of their obligations under these regulations we have received feedback that many traders don't like giving their customers the cancellation notice as the customers think that they are signing all of their rights away and it scares them, or that some customers don't like signing something when they aren't sure what it is.

This has led the traders to believe that they are losing work as customer opt to contract with alternative traders whom aren't compliant and don't give customer this cancellation notice.

We have therefore produced a small leaflet at the end of this booklet which you can tear off and photocopy to give to your customers so that they are aware you are simply an honest trader abiding by the law.

It is also apparent that consumer awareness of the regulations is on the rise therefore many consumers will be aware that they should be given a cancellation notice, and will also be aware of their rights if they aren't!



We want to make business access to our service as easy to access as possible for you, so you can contact us in the following ways:

By Online Contact Form

www.devon.gov.uk/tradingstandards

By Email

tsadvice@devon.gov.uk

By Telephone (For Business Advice Only)

01392 381381

By Fax

01392 382732

By Post

Devon Trading Standards Service
County Hall
Topsham Road
Exeter
EX2 4QH

This leaflet is not an authoritative interpretation of the law and is only intended for guidance. For further information and free business advice contact your local Trading Standards Service.

Want to be recognised as a customer friendly business?

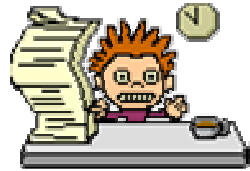
Join our Approved Trader Scheme Buy with Confidence

For more information visit www.buywithconfidence.gov.uk



Cancellation of Contracts made in a Consumers Home or Place of Work etc Regulations 2008.

The above regulations require businesses to provide consumers with a notice of their right to cancel. Failure to provide a consumer with this notice is a criminal offence and subsequently makes the contract unenforceable. It is an important protection for consumers.



Don't be scared off by the paperwork!

If a contract falls within a category listed in the regulations and a customer wants a business to start work before the end of their 7 day cooling off period, then the business must obtain your written consent for them to do so.

This means that if you subsequently choose to cancel your contract within the cooling off period you have to pay a reasonable sum for any work already carried out and any goods received.

It is therefore, important that you don't give your written permission unless you are sure you want and need the work doing or need the goods!

If you would like further information as to whether your potential contract falls within those listed in the regulations contact Consumer Direct on the number below.



Don't sign your rights away!

For further information on your rights under the above legislation contact Consumer Direct on 08454 04 05 06 for clear, practical, consumer advice.