

**Trading Standards Service
Regulatory Services**

**A trader's guide to
contracts concluded
in consumers'
homes or
workplaces**

Business Advice Leaflet

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.

Example:

- A consumer asks you to call to find out why her washing machine is making a strange noise. During the visit you examine the machine and find the fault. You offer to order the part and fix the machine. The consumer agrees. The contract is made at home and the Regulations apply.

The Regulations cover contracts that are made during both solicited (trader visits by express request from consumer) and unsolicited (unrequested) visits by traders. The Regulations apply to contracts with a total payment of more than £35 and they set the cooling-off period to a minimum of seven calendar days. 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 (see example).

However, if consumers decide to have work done, or to receive goods, within the seven-day cooling-off period, they need to make a written request for this to happen. If they have made that written request for any services or any of these goods:

- goods supplied to meet an emergency;
- goods that are personalised or made to their 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 cancel within the cooling-off period, they would be liable to pay a reasonable amount, but only for the goods or services supplied before the cancellation was made by the consumer.

The Regulations do not apply to:

- 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.

Notice of right to cancel

The notice of the right to cancel must be dated and given to the customer at the time the contract is made. If the contract is wholly or partly in writing, the notice must be incorporated in the same document. The notice must be easily legible and, where incorporated in a contract or another document, must be set out in a separate box with the heading 'Notice of the Right to Cancel'.

What information should be included in the notice of the right to cancel?

- trader's name;
- contract reference number;

- a statement that the customer has the right to cancel the contract within seven calendar days starting on the day of receipt of the written notice;
- the name and address (including an email address as well as the postal address) of the person to whom a cancellation notice may be given;
- a statement that the consumer may use the cancellation form provided if they wish;
- a statement that notice of cancellation is deemed to be served as soon as it is posted or sent to a trader.

The Cancellation notice must be set out in the prescribed manner in the Notice of the Right to cancel as follows:

If you wish to cancel the 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 for if you wish but you do not have to.

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

Contract Reference No/ Order No
 To (Trader to insert name and address of person to whom notice may be given).....

I/We (Delete as appropriate) hereby give notice that I/We wish to cancel My/Our Contract.

Name.....
 Address.....
 Signed.....
 Date.....

An example of an invoice using a fictitious builder that could be supplied to a consumer is attached at the bottom of this document.

You should be aware that if you fail to provide a notice of the right to cancel to your customers that includes all the required information, you are committing a criminal offence and it also makes the contract unenforceable in law (it does not exist). If a customer sends their cancellation notice to you by post, it is regarded as having been served at the time of posting, even if it is received by you beyond the seven-day deadline.

Please note there are other laws and regulations that can directly apply to sales made at the doorstep - contact your local Trading Standards Service for more information.

In particular:

- **The Consumer Protection from Unfair Trading Regulations 2008;**
- **Supply of Goods and Services Act 1982 (as amended);**
- **Fraud Act 2006;**
- **Companies Act 2006.**

The Consumer Protection from Unfair Trading Regulations 2008

These Regulations impose a number of general requirements on all businesses and some requirements that are specifically aimed at doorstep sellers. Broadly speaking, if you are treating customers fairly then you are likely to be complying with these Regulations.

You must not use any aggressive, deceptive or coercive tactics to obtain work or money. This also includes exploitation, causing fear or the application of any undue influence.

You must not use harassment - this specifically includes threatening or abusive language and behaviour.

Any descriptions applied to goods or services provided by you must be accurate. You may be criminally liable for any inaccuracies or omissions (i.e. 'false trade descriptions'), even if somebody else has actually applied the description or made the omission. You and persons trading on your behalf must not impair a consumer's ability to make an informed decision that causes the consumer to make a transactional decision he would not have otherwise taken.

Supply of Goods and Services Act 1982 (as amended)

This legislation places certain duties on you if you provide services for consumers, such as building or gardening. This Act creates certain automatic 'implied' conditions (see over) within the contract that you have with the consumer. These conditions provide the

consumer with statutory rights, whether the contract is written or not, for up to six years from the date of the contract. The following terms are implied:

- the work will be carried out with reasonable care and skill;
- where no time for the work has been agreed, it will be carried out within a reasonable time; and
- where no charge for the work has been agreed, a reasonable charge will be payable.

If you supply goods in the contract, consumers also have rights regarding these goods. They are entitled to expect that such goods will be fit for their purpose and be of satisfactory quality.

Fraud Act 2006

The Fraud Act 2006 creates a new general offence of fraud and introduces the three possible ways of committing it. As the name suggests, fraud is a serious offence and carries a maximum sentence of up to 10 years imprisonment and an unlimited fine.

Fraud by false representation:

You would commit fraud by false representation if you knowingly lied about the extent of any work required or about any work that you incorrectly claim to have done. Fraud by false representation could also include gross overcharging.

Fraud by failing to disclose information that there is a legal duty to disclose:

Fraud by failing to disclose information would apply to situations where you are under a duty to tell the customer something or provide them with a notice, such as the notice of their cancellation rights and you fail to do so.

Fraud by abuse of position:

This makes it an offence to commit a fraud by dishonestly abusing one's position. It applies in situations where you have been put in a privileged position and, by virtue of this position, you are expected to safeguard another's financial interests or not act against those interests.

Companies Act 2006

The current position with the law that governs the use of business names allows the Secretary of State control over the name you choose for your business and regulates disclosure of business ownership - in other words, what and how you must tell others about the ownership of the business. The law applies to all trading entities, including sole traders, partnerships and companies. There are extensive provisions relating to the disclosure of the person running a business, which should be displayed prominently and on business documentation. The ['Companies and Business Names'](#) leaflet sets out in full the requirements of the Act.

Please note:

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

Birmingham City Council
Trading Standards Service
Phoenix House, Valepits Road
Garretts Green, Birmingham
B33 0TD

Business Advice:
0845 330 3313

