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

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These Regulations come into force on the 13 June 2014 and whilst they might sound innocent enough they will have very wide ranging impact on various commercial transactions. They are intended to replace the Consumer Protection (Distance Selling) Regulations 2000 and the Cancellation of Contracts in a Consumer’s Home or Place of Work etc Regulations 2008. It is well known that those regulations caused sufficient uncertainty and such seems destined to continue.

The Department for Business Innovation & Skills has considered it necessary to publish an Implementing Guidance booklet running to some 22 pages that begins to summarise the changes and deal with that are suggested to be frequently asked questions. There has already been adverse comment about both the Regulations and the Guidance and the failure to make business generally aware of the implications of the Regulations.

The Regulations apply to

On premises contracts (at a shop or trader’s premises)

Distance contracts (via phone or internet)

Off premises contracts (at somewhere other than the business premises of the trader)

There are various exemptions in respect of classes of contracts. But many trades and professions are covered including estate agents, builders, jewellers, online sellers, sellers of digital content downloads, providers of online conveyancing services and online will writing services.

There are a range of new obligations that cannot be set out here, but which include new cancellation rights in respect of distance and off premises contracts, including a 14 day rather than 7 day period, various obligations about information to be provided and the need to use “durable medium” to record matters. There are additional rights to the consumer, including the automatic cancellation of ancillary contracts and prohibitions of default options for additional payments as well as the limits on calling charges on customer helplines.

Further there is wide ranging amount of information that has to be provided in respect of on premises contracts including the trader’s complaint handling policy.

Time will tell how helpful these Regulations will be to the consumer and whether the related criminal offences really assist the business community. And it is not only the clients that will have to think about the impact of the Regulations on their business, many legal services providers will have to review their standard trading terms and operations. Careful planning is now required.

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