



IMPORTANT TRADER NOTICE!

Do you carry out work in people's houses or gardens?

If so you need to know there are new rules – it could cost you money if you ignore them.

The new laws mean if you agree to carry out work in a customer's home or garden, and the job costs more than £35, you must give the consumer a written notice which tells the consumer they have a 7 day cooling off period. Failure to do so could result in a fine of up to £5000, and the customer may not have to pay for the work you have done.

If the customer wants you to start work within the cooling-off period get this request in writing – if you don't you may not get paid for the work if the customer then cancels within the 7 days.

If you are a tradesman based in Warrington or Halton and would like further advice in relation to this matter please contact Trading Standards on 01925 442658.

An example of what the cancellation notice should look like is included in this pack. For easy-to-use advice on the law that applies to your business visit www.everythingregulation.org.uk

MAKE SURE YOU ARE NOT BREAKING THE LAW!



Paula Darlington
Head of Service
Environmental Management

Warrington Borough Council
PO BOX 5
Business Support Centre
New Town House
Buttermarket Street
Warrington
WA1 2FG

Date:
Our Ref:
Your Ref:

Dear

RE: CANCELLATION OF CONTRACTS MADE IN A CONSUMER'S HOME OR PLACE OF WORK etc REGULATIONS 2008.

The above regulations may affect your business and may cost you money if you don't comply with them. All traders who enter into a contract with a consumer (whether written or verbal) in the consumer's home; place of work; the home of another individual; or an excursion organised by the trader away from the trader's business premises are likely to be affected.

You need to provide a consumer with a written cancellation notice if the contract price is more than £35. This notice must be provided before starting the work. The notice provides the consumer with a 7 day cooling-off period. The wording of the notice has to be laid out in a particular way; an example is included in this pack.

If you already use written contracts the notice of cancellation must be incorporated in the same document, as a detachable slip and in a separate box with the heading **NOTICE OF THE RIGHT TO CANCEL**. There is no need to pay for perforated forms, a dotted line and scissors symbol can be used – please see the example notice included with this pack.

Failure to provide the above notice means that you commit a criminal offence which if convicted carries a maximum fine of £5000. Also, the contract is unenforceable against the consumer which means that they will not have to pay for any work that you've already done.

The consumer can agree for work to begin before the end of the cooling off period provided you have supplied the written notice of cancellation beforehand. **This request/agreement must be in writing.**

Please note, this is a brief outline of the Regulations. For more detailed guidance, please refer to www.berr.gov.uk or visit www.everythingregulation.org.uk for easy-to-use advice on the law that applies to your business.

Yours sincerely

Tel No: 01925 44
e-mail: @warrington.gov.uk



Warrington Borough Council, Chief Executive - Diana Terris
Halton Borough Council, Chief Executive - David Parr



EXAMPLE FORM
"NOTICE OF THE RIGHT TO CANCEL"

The Cancellation of Contracts made in a Consumer's Home
or Place of Work etc. Regulations 2008

The relevant parts of this form must be completed by the trader. If the customer wishes to exercise their right to cancel the contract, the lower part should be completed, detached and returned to the trader.

Date of Issue:

Name and address of trader (including any trading name):

Contract reference no/order no/or description of contract:

Name and address of person to whom the cancellation notice may be given (as well as any email address to which it may be sent):

Customer cancellation rights

The Consumer has the right to cancel the contract if he wishes and this right can be exercised by delivering, or sending (including by electronic mail) a cancellation notice to the trader at any time within the period of **seven days** starting with the day of receipt of a notice in writing of the right to cancel the contract. Cancellation should be communicated in writing or by email to the person shown above.

Cancellation is deemed to be served as soon as it is posted or sent to a trader or in the case of an electronic communication from the day it is sent to the trader. Any related credit agreement will be automatically cancelled if the contract for goods or services is cancelled.

You may use the lower part of this form to exercise the right to cancel and it can be issued in person or sent by post (*in which case you*



should obtain a Certificate of Posting or Recorded Delivery slip. You are advised to make a copy of the completed cancellation notice before returning it to the trader.)

Work begun before the end of the cancellation period

If you have agreed **in writing** that work can begin before the end of the seven-day cancellation period, and you subsequently cancel in accordance with your rights, you may be required to make reasonable payment for the work carried out up to that point (including for any goods or services provided).

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Cancellation notice

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 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.]

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. He may also insert the name and address of the consumer.]

Signed:

Name and Address:

Date:



Some Frequently Asked Questions

Q1. How will businesses be protected against non payment for goods or services provided before the end of the cooling off period?

A consumer who has received goods or services in relation to a 'specified contract' (see next question) will be required to pay in accordance with the 'reasonable' requirements for goods or services provided up to the point of cancellation provided that:

- the trader included in the 'notice of the right to cancel' a statement that the consumer may be required to pay for the goods or services supplied if performance of the contract has begun before the end of the cooling-off period; **and**
- the consumer provided the trader with a written request for performance of the contract to begin before the end of the cooling off period.

A consumer who has received goods via a contract other than a 'specified contract' shall – on cancellation of the contract – be under a duty to restore those goods to the trader and meanwhile to take reasonable care of them.

Q2. What are the types of 'specified' contract (listed in Regulation 9)?

They are:

- the supply of goods to meet an emergency;
- the supply of goods or services relating to a funeral;
- the supply of services of any other kind;
- the supply of goods made to a customer's specifications or clearly personalised;
- the supply of goods, which by their nature are consumed and before the cancellation, were so consumed;
- the supply of goods which, before the cancellation, had become incorporated in any land or thing not comprised in the cancelled contract;
- the supply of perishable goods;
- the supply of newspapers, periodicals or magazines;
- advertising in any medium; and
- the supply of goods the price of which is dependent on fluctuations in the financial market which cannot be controlled by the trader

Q3. What happens if the consumer fails to provide written agreement for a specified contract to begin before the end of the cooling off period?

In the event that a consumer did **not** provide written agreement for performance of a **specified** contract to begin before the end of the cooling-off



period then the trader would not be under any obligation to begin performance before the end of the cooling-off period.

However, in the event that a trader began performance of a specified contract before the end of the cooling-off period, and the consumer had **not** provided his **written** agreement for performance to begin before the end of the cooling-off period, the consumer would be able to cancel the contract and would **not** be under any obligation to pay for goods and services provided up to the point of cancellation.

In these circumstances the trader would be commencing performance of the contract at his own risk (i.e. the risk of non payment). The onus would be on the trader to ensure that he had the written permission of the consumer before commencing work.

Q4. Is the consumer required to provide written agreement for performance of a contract which is not a 'specified contract' to begin before the end of the cooling off period?

No. For these types of contract the consumer retains his cancellation rights and would be under a duty to restore any goods acquired before cancellation to the trader and meanwhile to retain possession of the goods and to take reasonable care of them.

Q5. What happens when a contract which has a related credit agreement attached is cancelled?

Where any contract for goods and services is cancelled under the Regulations, any related credit agreement is automatically cancelled. If the agreement was a cancellable agreement under the Consumer Credit Act 1984 the consequences of cancellation would flow as under that Act. In the case of any other regulated credit agreement, payment made by a consumer in relation to the credit agreement must be reimbursed unless otherwise provided in the Regulations. The consumer must repay credit and interest received in accordance with the related credit agreement but the agreement otherwise ceases to be enforceable. Any security provided under the related credit agreement must be immediately returned to the consumer.

Q6. What do you, as a trader, have to do when a contract which has a related credit agreement is cancelled?

A cancellation notice which cancels a contract for goods and services shall have the effect of cancelling any related credit agreement. The trader must (if he is not the same person as the creditor under that agreement) immediately on receipt of the cancellation notice inform the creditor that the notice has been given. The trader or creditor must take the appropriate steps to recover payment of credit and interest from the consumer if the whole of the credit repayable by instalments is not repaid before the date on which the first instalment is due.

