

CONSUMER CONTRACTS (INFORMATION, CANCELLATION AND ADDITIONAL CHARGES) REGULATIONS 2013

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The 2013 Regulations apply as of 13 June 2014. They supersede both the 2000 Distance Selling Regulations, and the 2008 Cancellation of Contracts made in a Consumer's Home or Place of Work etc Regulations. They apply when a firm is dealing with a 'consumer', defined as an individual who in making the contract is acting for purposes which are wholly or mainly outside his or her trade or profession.

There are draconian cancellation provisions which apply to 'off premises contracts' and 'distance contracts'. Whenever you agree to provide services to your clients without face-to-face contact, you are probably making a distance contract if you send out standard client engagement materials. A contract can be 'off premises' even if it is concluded 'on premises', if the offer was made away from the firm's premises.

It is a criminal offence to fail to inform clients who are consumers of their right to cancel 'off premises' contracts (but not 'distance' contracts). A partner/member may be personally liable, if the offence was committed with his/her consent or connivance, or if it is attributable to any negligence on his/her part.

Contracts will not be enforceable (e.g. you cannot sue for fees) until you have given the client the opportunity to cancel the contract. If you want to start work during the 14 day cancellation period, you need the client's explicit consent. A sting in the tail of the cancellation provisions is the need to give the client confirmation of the contract on a durable medium after the conclusion of the contract. Not surprisingly, the Regulations contain specific requirements to be met when a consumer enters into a contract online, so care is required when signing up clients on an iPad or the like.

The Regulations make it all the more important to give the client the information that should already be contained in your general Terms and Conditions, because they require some of that information to be provided to the client if a consumer.

Readers should refer to the 2013 Regulations for all the requirements.



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