

Briefing Note: Doorstep Selling

An Introduction to the Briefing Note

This Briefing Note sets out what your business needs to know if you are involved in doorstep selling. The laws on doorstep selling aim to protect consumers who enter into contracts that are negotiated away from business premises (for example, where consumers sign up for gas or electricity supplies on their doorsteps). This briefing note should not be relied upon as legal advice and you should contact us for advice on your specific circumstances.

Briefing Note

July 2011

For detailed advice on all corporate matters please contact:

Mark Williams
Partner

01323 435900
mew@gabyhardwicke.co.uk

When do the laws on doorstep selling apply?

The laws apply to contracts made between your business and a consumer for the supply of goods and services:

- During a visit by your business to a consumer's home or place of work, or to the home of another individual.
- During an excursion organised by your business away from your premises.
- After an offer made by the consumer during a visit or excursion.

The laws apply to both unsolicited and solicited visits. A solicited visit is a visit by your business made at the express request of the consumer to:

- Their home.
- Their workplace.
- The home of another individual.

Solicited visits do not include visits:

- Preceded by a telephone call or a prior visit by your business.
- Where the contract made is for goods and services that are different from the ones the consumer originally asked your business for.

What types of contracts are not covered?

There are a number of contracts that are not covered by the laws on doorstep selling, including:

- Contracts for the supply of foodstuffs, beverages or other goods intended for current consumption in the household and supplied on a regular basis.
- Contracts of insurance and other regulated contracts.
- Credit agreements not exceeding £35 (other than a hire purchase or conditional sale agreement).

Briefing Note: Doorstep Selling

Cancelling a contract

- A consumer can cancel a contract within a seven-day “cooling off” period (also known as the cancellation period).
- Your business must provide a consumer with a written notice of their right to cancel at the time the contract is made. The cancellation period starts when the consumer receives this right to cancel.
- If the consumer serves a cancellation notice within the cancellation period, the contract is cancelled.
- The consumer must cancel the contract in writing (which includes e-mail) and send the cancellation notice to you or the person nominated by your business.
- Your business will still be bound by the notice, even if you do not receive it or if it arrives after the seven days have expired.

Deposits

If a consumer pays a deposit and then cancels their contract during the cancellation period, your business must repay that deposit.

Credit agreements

If there is a related credit agreement and the consumer cancels the contract for goods or services, the related credit agreement will also be cancelled.

What needs to go into a notice of cancellation rights?

The notice must:

- Be dated.
- Indicate the right of the consumer to cancel the contract within the cancellation period.
- Be easily legible.
- Contain:
 - your business’ trading name;
 - your business’ reference number or other details required to enable the contract or offer to be identified;
 - a statement that the consumer has the right to cancel the contract if they wish and that this right can be exercised by delivering or sending a cancellation notice to the person notified by your business at any time within the cancellation period;
 - the name and contact details of a person to whom a cancellation notice may be given;
 - a statement that notice of cancellation is deemed to be served as soon as it is posted or sent to your business or, for an electronic communication, from the day it is sent to your business;
 - a statement that the consumer can use the cancellation form provided if they wish; and
 - a statement that the consumer may have to pay if performance of the contract begins with the customer’s written consent before the cancellation period begins.

Briefing Note: Doorstep Selling

labelling="Section-Header">Cancelling a contract where performance has already begun

- If a consumer wants your business to start performing a contract before the cancellation period has expired, they must inform you in writing.
- If the consumer then cancels the contract, they must pay a reasonable sum for the goods or services you have already provided to them.
- Unless the consumer advises your business that they want you to start performing the contract before the cancellation period has expired in writing, your business is under no obligation to perform the contract until this period has expired.
- When the contract has been cancelled, your business must repay any money paid by the consumer and the consumer must return the goods.

labelling="Section-Header">Penalties for non-compliance

- If your business enters into a contract where the laws on doorstep selling apply, but fails to give the consumer notice of their right to cancel, that contract will be unenforceable against the consumer.
- Your business could be liable for a fine of up to **£5,000** if you enter into a contract where the laws on doorstep selling apply and do not give the consumer notice of their right to cancel.

labelling="Section-Header">Defences

Your business will have a defence to the above offences if you can prove both that:

- The commission of the offence was due to the act or default of another or reliance on information given by another.
- Your business took all reasonable precautions to avoid committing the offence.

If you have any queries about the content of this Briefing Note, please contact Mark Williams by email: mew@gabyhardwicke.co.uk or by phone: 01323 435900.

Gaby Hardwicke Solicitors
33 The Avenue
Eastbourne
East Sussex
BN21 3YD

Tel: 01323 435900
Fax: 01323 435901
info@gabyhardwicke.co.uk
www.gabyhardwicke.co.uk