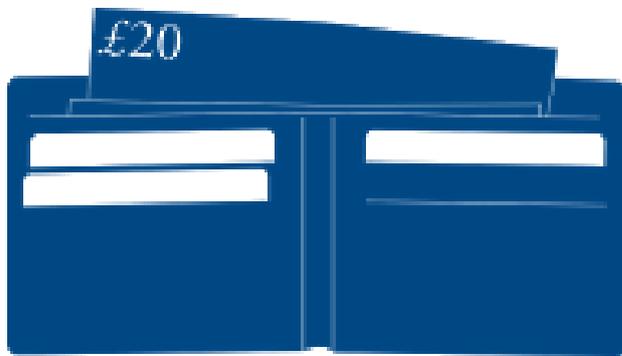


# Consumer Education

Consumer Contracts



## **This workbook has been produced as part of the Citizens Advice Consumer Strategy.**

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## **Guidelines**

**The Aim of this session** is to help prevent people getting into difficulties with entering consumer contracts (for goods and services) they do not fully understand, cannot afford or have potentially misleading information. It is essential to stress to participants that the Consumer Rights Act will only apply to contracts formed from 1<sup>st</sup> October 2015. Brief details of legislation prior to this date are provided in the resources at the end of the pack. However participants should be encouraged to research the Citizens Advice website and contact the Citizens Advice consumer service for advice on which regulations will apply to them.

### **Objectives**

- Understand the importance of reading terms and conditions
- How to understand terminology within contractual agreements
- To understand the implications of signing a contract, including consumer responsibility and financial risks.
- To know how to get advice or guidance to understand a contract or if there are problems with the contract.
- Be aware of the differences in legal consumer protection depending on when and where the contract was formed.

Discuss these objectives with the participant and mutually agree which you will focus on in any given session. If you are limited with time you may wish to focus on one or two activities to cover the objectives you feel most important.

**General Guidance Notes** –this training resource should not be used as an advice tool and participants' should be advised on the risks of advising friends or family on legal consumer issues. Any discussion about current personal consumer related issues should be directed to the consumer advice service.

Trainers do not need to have specialist knowledge in contract law; the training material provides brief subject content and links for

further research. In addition trainers can liaise or work with their local Citizens Advice, Citizens Advice consumer service or and local Trading Standards.

**This workbook is for the trainer's use.** Activities should be printed out for participants, as well as providing any useful information from the Appendix. Participant's worksheets are indicated as such. Trainers should allow time to print articles and worksheets for the sessions.

The purpose of the materials are to allow participants to consider what contracts they may need to engage in and how to deal with them; it is not intended to provide full detail of consumer law. However if you wish to investigate more, links are available in the appendix and any additional information that is given should be taken from an up to date and accurate source such as [www.citizensadvice.org.uk](http://www.citizensadvice.org.uk)  
<http://www.businesscompanion.info/>

This session aims to help prevent people getting into difficulties with agreeing to contracts they do not fully understand, cannot afford or have potentially misleading information. However, for advice about specific cases you should refer to the Citizens Advice consumer service – 03454 040506 or if someone is being threatened call the Police 999.

### **Top Tips**

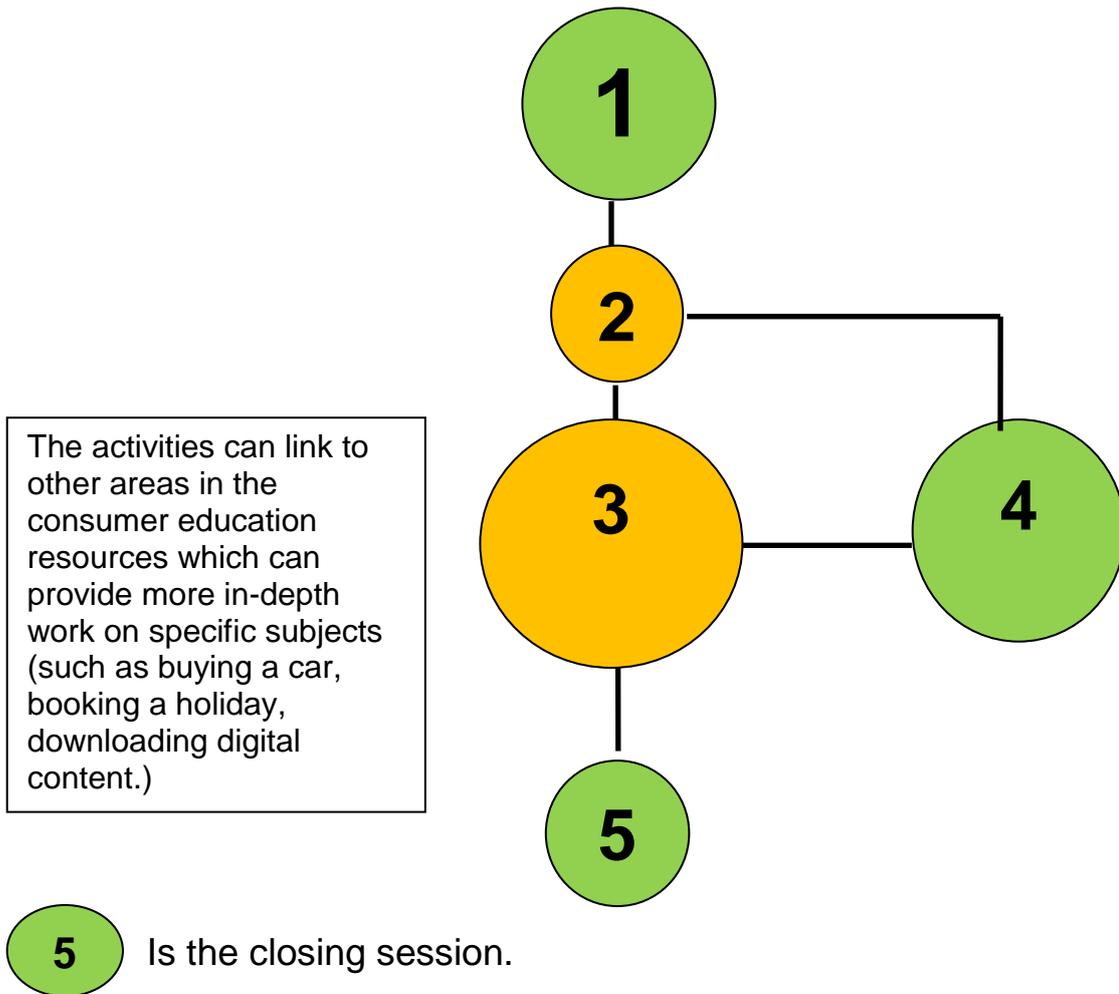
- Keep the conversation fairly open
- Encourage participants to talk about their own experiences but focus on the subject matter
- Remind the group not to advise each other on legal issues, signposting based on their knowledge of the consumer service or local Citizens Advice is acceptable.
- Ensure that participants are provided with the Citizens Advice consumer service contact details at the end of each activity.

# **Contents - Understanding Consumer Contracts**

<b>Lesson Plan</b>	<b>p6</b>
<b>Session Specific Guidance</b>	<b>p7</b>
<b>Activity One</b> - Different types of contracts? Ask participants to list the different types of goods or services.	<b>p12</b>
<b>Activity Two</b> - Contract terminology – what does it mean? Participants will try to identify terms and acronyms <b>common</b> in contracts.	<b>p14</b>
<b>Activity Three</b> – Where is the contract made? The importance of where the contract is formed	<b>p16</b>
<b>Activity Four</b> – How to access advice. Look at ways to access guidance and advice before you enter a consumer contract during the contract and at the end of the contract.	<b>p19</b>
<b>Activity five and closing a session</b> Review of activities undertaken, action plans for the future.	<b>p21</b>
<b>Appendix section</b>	<b>p23</b>

## Lesson Plan

This lesson plan has been designed to show tutors/ trainers and educators how they can use and manage the resources within the pack. It will allow the tutor, trainer and educator to plan around time constraints and indicates how to prioritise activities, allowing a more flexible teaching model.



**Green** activities – Are *essential* to any session on this topic

**Amber** activities – Are *highly recommended* but not essential

**Red** activities – Are *optional* activities, if time allows

The size of the bubble indicates roughly how much time – relative to the session - to spend on an activity. More guidance is in the trainer's notes.

## **Consumer Contracts Guidance**

Overall we want trainers and learners to develop a greater awareness of terminology in contracts, the importance of where contracts are made and how the consumer can access important contract information.

By the end of the session, learners should be able to,

- recognise common terms in a contract
- identify where they can get help or advice
- signpost to other advice and support organisations
- know how to report concerns over unfair contracts
- understand their consumer rights when signing contracts and be aware of the importance of where the contract was made – i.e. at a distance or on the premises
- understand the financial risks of signing unfair or misleading contracts
- be confident about not being rushed into agreeing terms and conditions in a contract.

### **Basic guidance for trainers**

This training pack provides some basic information on the Consumer Rights Act, but some of the activities may require further investigation by participants, time and resources will need to be determined by the trainer.

Further information on consumer rights can be researched on the Citizens Advice website with relevant weblinks in the Appendix . There is a wide variety of links here that will provide more in-depth information on consumer rights legislation. This will allow for more detailed learning provision in formal education.

The trainer may also wish to contact their local Trading Standards or Citizens Advice to see if they can support the session.

## The Consumer Rights Act Guidance

Consumer Rights Act came into force on 1st October 2015. The law is clearer and easier to understand, meaning that consumers can buy and businesses can sell to them with confidence. When problems arise, consumers and businesses will be able to sort out disputes more quickly and cheaply. The changes are relevant to all consumers and every business which sells directly to consumers. UK consumers spend £90 billion a month. Transparent rights will help consumers make better choices when they buy and save them time and money.

Consumers have enhanced, easy to understand consumer rights. The Consumer Rights Act has changed core consumer remedies around what to do if, for example, goods or services you bought are faulty.

The updated rights help consumers and businesses to avoid disagreements. But when a problem does occur, the changes also make disputes easier to settle. Alternative Dispute Resolution <http://www.businesscompanion.info/en/quick-guides/consumer-contracts/alternative-dispute-resolution> or <https://www.citizensadvice.org.uk/consumer/alternative-dispute-resolution/settling-out-of-court/using-alternative-dispute-resolution-adr/>, for example through an Ombudsman, can offer a quicker and cheaper way of resolving disputes than going through the Courts; Alternative Dispute Resolution came into force on 9th July 2015.

### What do I need to know?

The Consumer Rights Act covers:

- what should happen when goods are faulty;
- what should happen when digital content is faulty;
- how services should match up to what has been agreed, and what should happen when they do not, or when they are not provided with reasonable care and skill;
- unfair terms in a contract;
- what happens when a business is acting in a way which isn't competitive;
- written notice for routine inspections by public enforcers, such as Trading Standards; and greater flexibility for public enforcers, such as Trading Standards, to respond to breaches of consumer law, such as seeking redress for consumers who have suffered harm.

Most of these changes are important updates to existing laws.

- This is the first time that rights on digital content are set out in legislation. The Act gives consumers a clear right to repair or replacement of faulty digital content such as online films and games, music downloads and e-books. The law here has been unclear up until now and this change has brought legislation up to date with how digital products have evolved.
- For the first time, there are clear rules for what should happen if a service is not provided with reasonable care and skill or as agreed. For example, the business that provided the service must bring it into line with what was agreed with the customer or, if this is not practical, must give some money back.

The Consumer Rights Act 2015 stands alongside regulations to create a greatly simplified body of consumer law. Taken together, they set out the basic rules which govern how consumers buy and businesses sell to them in the UK.

The Consumer Rights Act provide remedies however **information requirements** are provided for in the regulations known as **Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013** From June 13th 2014 businesses had to amend their processes and procedures to ensure compliance with the Regulations which brought some changes to make sure that the UK complies with the Consumer Rights Directive.

Businesses which sell online and off premises would have previously adhered to the Distance Selling Regulations and the Doorstep Selling Regulations; however the Consumer Contracts Regulations consolidated these two pieces of legislation and also brought in some new provisions. These requirements only apply where businesses are dealing with customers who are consumers, not other traders.

This gives better protection to consumers when buying goods or services in UK and Europe. Businesses must provide the consumer with information before they buy goods or services. Some contracts allow the chance to hand back the goods or not have the service within a short period of time after the consumer has bought the goods or agreed to have the service. How much businesses will have to follow these rules will depend on where or how the contract was made.

- In a shop, garage or business – this is called an ‘on-premises’ contract.
- In your home, on the street or away from the business address – this is called an ‘off-premises’ contract.
- Over the telephone, on-line or by mail order – this is called ‘at a distance’ contract.

It is important to remember this information when buying goods or services so the consumer knows their legal rights.

Before the consumer buys goods or services they should be given clear and easy to understand information especially about their rights to cancel the contract and not have the goods or services if they change their mind.

The regulations also put more responsibility on the consumer’s part to return items in a good condition. There is an onus on the consumer to check the contract, ensure that goods are returned within the time frame, returned in suitable packaging and good condition.

The regulations clearly layout what is the consumers’ responsibilities and what are the traders’ responsibilities, so consumers should be encouraged to check what is involved before entering into contracts. Information can be found via the Citizens Advice website, local Citizens Advice and the Citizens Advice consumer service.

### **Key notes for contracts**

For a consumer contract to be made, there are certain things which must happen:

- someone must make an offer, for example to carry out work or buy an item
- another person must accept the offer
- each party must give something or promise to give something to the other, such as payment. This is known as consideration
- each party must be legally capable of making a contract. You might not be legally capable if, for example, you’re under 18.
- both parties must intend to make a contract by which they are legally bound
- both parties must have a shared understanding of what is agreed. This is known as consensus
- the contract must be legal

The Consumer Rights Act 2015 (CRA), from 1<sup>st</sup> October 2015, consolidates and strengthens the wide range of consumer rights legislation currently in existence and has the potential to make it far simpler for people to understand and use their rights when things go wrong. It covers the rights and remedies available in respect of goods, services and digital content, the fairness of the terms in consumer contracts for these products and consumer guarantees for goods. Some of this consolidates rights around Fitness for Purpose Make Known (FFPMK) Satisfactory Quality (SQ), Rights; the CRA will provide different remedies for resolving consumer problems and action that can be taken.

Key areas that the CRA focuses on are...

Goods, Services, Digital Content, Unfair terms, Letting agent fees, Enhanced Consumer Measures, Private Actions in Competition Law, Secondary Ticketing and Miscellaneous provisions.

**Unfair terms may include,**

- Excessive fees
- Terms that are not transparent or clear to understand
- Unreasonable clauses in a contract
- Hidden terms in a contract
- Unreasonable time frames
- Preventing access to remedies and right to redress
- Terms that are classed as Blacklisted and therefore subject to the fairness test.

A copy of the Competition and Markets Authority (CMA) fairness test is included in the Appendices section of the document to demonstrate to participants what is involved in the fairness test

Further information on additional consumer law can be found on Citizens Advice website. [www.citizensadvice.org.uk](http://www.citizensadvice.org.uk)

**Activity 1: Different types of consumer contracts...  
Trainer's worksheet**

- Ask participants to list the different types of goods or services
- Also discuss what might be unfair terms in contracts?

Identify the participant's understanding and experience of entering into contracts; record the discussion notes on flip chart paper or interactive whiteboard – depending on resources available.

Ask participants to list different types of goods or services contracts raised in the conversation. Participants should identify positive and negative aspects of entering into consumer contracts.

**Provide participants with the Citizens Advice consumer service contact details 03454 04 05 06, Welsh-speaking adviser on 03454 04 05 05**

<b>What types of contracts are you familiar with?</b> <i>Examples</i>	<b>What are the positive aspects of engaging in the contract?</b> <i>Include legal consumer protection</i>	<b>What are the negative aspects of engaging in the contract?</b> <i>Include legal consumer protection</i>
<i>Rental agreement</i>	<i>Security and renter's rights CRA letting agents</i>	<i>Additional costs, need to find large deposits</i>
<i>Mobile phone</i>	<i>Lower tariffs CRA on unfair terms</i>	<i>Locked in time period</i>
<i>TV and broadband</i>	<i>Better access to online CRA on digital content</i>	<i>Length of term, hidden costs etc...</i>
<i>Hire purchase goods</i>	<i>Can have goods quicker than saving for them CRA on contracts, rights and remedies</i>	<i>Cost is higher overall</i>
<i>Monthly energy bills</i>	<i>More choice than meters or keycards</i>	<i>DD can change, hard to keep account of usage</i>
<i>Car rental schemes</i>	<i>You have additional cover CRA unfair terms</i>	<i>It can be expensive</i>

**Activity 1: Different types of consumer contracts**  
**Participants' worksheet**

Discuss in the group and list the different types of goods or services. Discuss briefly, experiences of entering into contracts and note key consumer related comments.

List different types of goods or services contracts and identify positive and negative aspects of entering into consumer contracts, including what may be considered as unfair terms in a contract.

What types of contracts are you familiar with?	What are the positive aspects of engaging in the contract? <i>Include legal consumer protection</i>	What are the negative aspects of engaging in the contract? <i>Include legal consumer protection</i>

## Activity 2: Contract terminology – what does it mean?

### Trainer's worksheet

It is important when we enter into contracts for consumer goods or services that we understand what we are agreeing to. Ask participants to look through some of the common terms or abbreviations in contracts and explain what they mean. **Provide participants with the Citizens Advice consumer service contact details 03454 04 05 06, Welsh-speaking adviser on 03454 04 05 05**

T&C	Terms and conditions
STC	Subject to contract – This tends to be on paperwork or terms and conditions that indicate there are negotiations in place. It indicates that the contract has not at this point been agreed.
Breach of contract	Where one of the parties involved in the contract does not keep to the agreement. This can result in the party who has caused the breach being responsible for damages to the other party.
Ownership	This refers to who owns the goods and when the transfer of ownership between a trader and consumer is made.
Liability	In a contract this means the party who is responsible for transporting goods, selling goods or if there is a breach of terms.
Acceptance	Acceptance means that the offer has been agreed. Once acceptance is in place the contract is legally binding.
HP	Hire Purchase agreements – whereby goods are hired to the consumer who pays regular instalment with the opportunity to own goods at the end of the contract.
FFPMK and SQ	Fit for Purpose made known and Satisfactory quality. The Consumer Rights Act will consolidate rights around FFPMK and SQ. (relating to goods and digital content)
Off premises	Agreements/ contracts usually made in your home, on the street or away from the business address

## Activity 2: Contract terminology – what does it mean?

### Participant's worksheet

It is important when we enter into contracts for consumer goods or services that we understand what we are agreeing to. Look at some of the common terms or abbreviations in contracts and explain what they mean.

Discuss these with the trainer and group and where possible investigate them via websites such as Citizens Advice or Trading Standards Business companion.

T&C	
STC	
Breach of contract	
Ownership	
Liability	
Acceptance	
HP	
FFPMK and SQ	
Off premises	

### Activity 3: Where is the contract made?

#### Trainer's worksheet

It is important for participants to know that their rights and responsibilities vary depending on where and how the contract was formed i.e. how they bought the goods or services.

This is a research activity for participants to identify:

1) Which pieces of legislation can apply to contracts made in each place?

2) What rights they have to return goods or cancel services?

3) What redress is available if there is a problem?

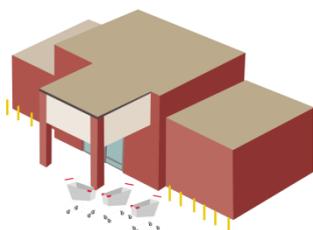
**Provide participants with the Citizens Advice consumer service contact details**

**Telephone 03454 04 05 06, Welsh-speaking adviser on 03454 04 05 05**

At home, via the doorstep or at home cold calling techniques.



From a shop or other business premises.



Online shopping.



For this activity the trainer will need to provide resources for participants to study:

- The Consumer Rights Act  
<http://www.legislation.gov.uk/ukpga/2015/15/section/3>
- The Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 (the CCRs.)  
[www.citizensadvice.org.uk/consumer/different-ways-of-buying/buying-by-internet-mail-order-or-phone/how-a-distance-sale-contract-is-made/](http://www.citizensadvice.org.uk/consumer/different-ways-of-buying/buying-by-internet-mail-order-or-phone/how-a-distance-sale-contract-is-made/)  
  
[www.citizensadvice.org.uk/resources-and-tools/Languages/advice-in-bsl/consumer-advice-in-bsl/](http://www.citizensadvice.org.uk/resources-and-tools/Languages/advice-in-bsl/consumer-advice-in-bsl/)
- Misleading and Aggressive practices  
[www.citizensadvice.org.uk/consumer/protection-for-the-consumer/unfair-trading/unfair-trading-practices-what-you-can-do-if-you-ve-been-misled-or-harassed/](http://www.citizensadvice.org.uk/consumer/protection-for-the-consumer/unfair-trading/unfair-trading-practices-what-you-can-do-if-you-ve-been-misled-or-harassed/)

Articles are provided in the resource section in this pack and further information on how contracts are formed can be found at:

[www.citizensadvice.org.uk/consumer/protection-for-the-consumer/](http://www.citizensadvice.org.uk/consumer/protection-for-the-consumer/)

And:

<https://www.citizensadvice.org.uk/consumer/protection-for-the-consumer/consumer-contracts/>

### Activity 3: Where is the contract made?

#### Trainer's worksheet - example of answers

This is a research activity and will require access to the internet.  
Examples of answers you will expect participants to find.

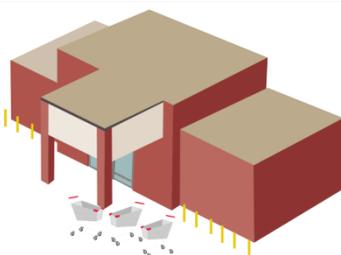
- 1) Which pieces of legislation can apply to contracts made in each place?
- 2) What right you have to return goods or cancel services
- 3) What redress is available if there is a problem

At home, via the doorstep or at home cold calling techniques.



- 1) *Consumer contract regulations, Misleading and Aggressive practices... Consumer Rights Act*
- 2) *Pre contract information should be given including 14 days cooling off period and opportunity to change your mind and cancel the contract/ goods*
- 3) *Different remedies available - accept a chance to remedy the situation, if still not happy can ask for some money back... see **BIS guidance in the National Consumer Week section powerpoint resource.***

From a shop or other business premises.



- 1) *Consumer Rights Act*
- 2) *If goods are faulty or mis-described entitled to full refund up to 14 days, time and price must be reasonable if not agreed in advance*
- 3) *Contact Citizens Advice consumer service or local trading standards...see **BIS guidance in the National Consumer Week section powerpoint resource.***

Online shopping.



- 1) *Consumer Contracts Regulations and Consumer Rights Act, Distant selling regulations*
- 2) *For digital content and online shopping 14 days to change your mind unless you request the items sooner. Right to return goods but excludes certain items including perishable goods and bespoke goods*
- 3) *If digital goods are faulty, entitled to repair or replacement. Refunds must be paid within 14 days (providing proof is provided of returning the goods) see **BIS guidance in the National Consumer Week section powerpoint resource.***

### Activity 3: Where is the contract made?

#### Participant's worksheet

It is important for consumers to know that their rights and responsibilities vary depending on where and how the contract was formed i.e. how they bought the goods or services. For this activity you will need to research:

- 1) Which pieces of legislation can apply to contracts made in each place?
- 2) What right you have to return goods or cancel services?
- 3) What redress is available if there is a problem?

At home, via the doorstep or at home cold calling techniques.

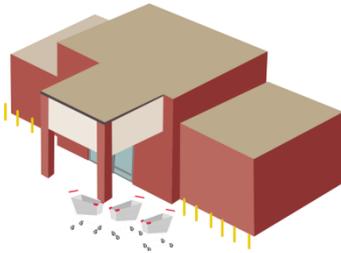


1)

2)

3)

From a shop or other business premises.



1)

2)

3)

Online shopping.



1)

2)

3)

## Activity 4: How to access advice...

### Trainer's worksheet

Information about the goods or service should be made available by the trader:

- Before the consumer buys
- When the consumer buys,
- and information on refunds

However, it is also important that consumers take time to understand how to look for this information and also which organisations can offer advice and support if there is a consumer problem. Ask participants to look at the scenarios below and tick which organisation can provide information, advice or help. Spend some time establishing how to contact these organisations.

**Provide participants with the Citizens Advice consumer service contact details**

**Telephone 03454 04 05 06, Welsh-speaking adviser on 03454 04 05 05**

Consumer Contract issue	The Trader	Citizens Advice consumer service	Local Trading Standards	The Police
A consumer has been pressured to sign a contract in their home for goods they do not want.	✓	✓	✓	✓
A consumer wants to know if their mobile phone is compatible with digital software they wish to download.	✓ suggest researching this on line			
A consumer wants to know what their rights are if they wish to return an item.	✓	✓	✓	
A consumer wants to know if a trader is part of an approved membership body before they contract with them.	✓	✓	✓	
A consumer has signed a contract which they feel has some unfair terms included.	✓	✓	✓	

## Activity 4: How to access advice...

### Participant's worksheet

Under the Consumer Rights Act information about the goods or service should be made available by the trader

- Before the consumer buys
- When the consumer buys
- Post-contract information on refunds and redress

However, it is also important that consumers take time to understand how to look for this information and also which organisations can offer advice or intervene if there is a consumer problem. Look at the scenarios below and tick which organisation can provide information, advice or help. Spend some time establishing how to contact these organisations.

Consumer Contract issue	The Trader	Citizens Advice consumer service	Local Trading Standards	The Police
A consumer has been pressured to sign a contract in their home for goods they do not want.				
A consumer wants to know if their mobile phone is compatible with digital software they wish to download.				
A consumer wants to know what their rights are if they wish to return an item.				
A consumer wants to know if a trader is part of an approved membership body before they contract with them.				
A consumer has signed a contract which they feel has some unfair terms included.				

Remember to record contact details for each of these, which will help if there is problem with a contract you have entered into!

## Closing a session - Stage one

Summarise the importance of understanding a contract before agreeing to the terms and conditions. Ensure that the participant knows how to look for reputable traders who provide information required by law. Ask participants to create a short list of things they have learnt from the session.

Ensure that the participant can,

- offer at least three points of learning.
- understand what information should be provided before they enter into a contract.
- Understand the importance of knowing their consumer rights and responsibilities under the Consumer Rights Act.
- know who to get advice from and has recorded the Citizens Advice consumer service number.

## Closing Session - Stage Two

A list of topics that the participant is interested in should have evolved naturally out of the themes covered in the activities. The participant can choose from the list to decide what they would like to discuss next time. This not only provides very useful information for Citizens Advice, it also increases the likelihood that the participant will return.

If you have concerns about a participant entering into a potentially risky contract, strongly encourage them to visit their local Citizens Advice or contact the Citizens Advice consumer service.

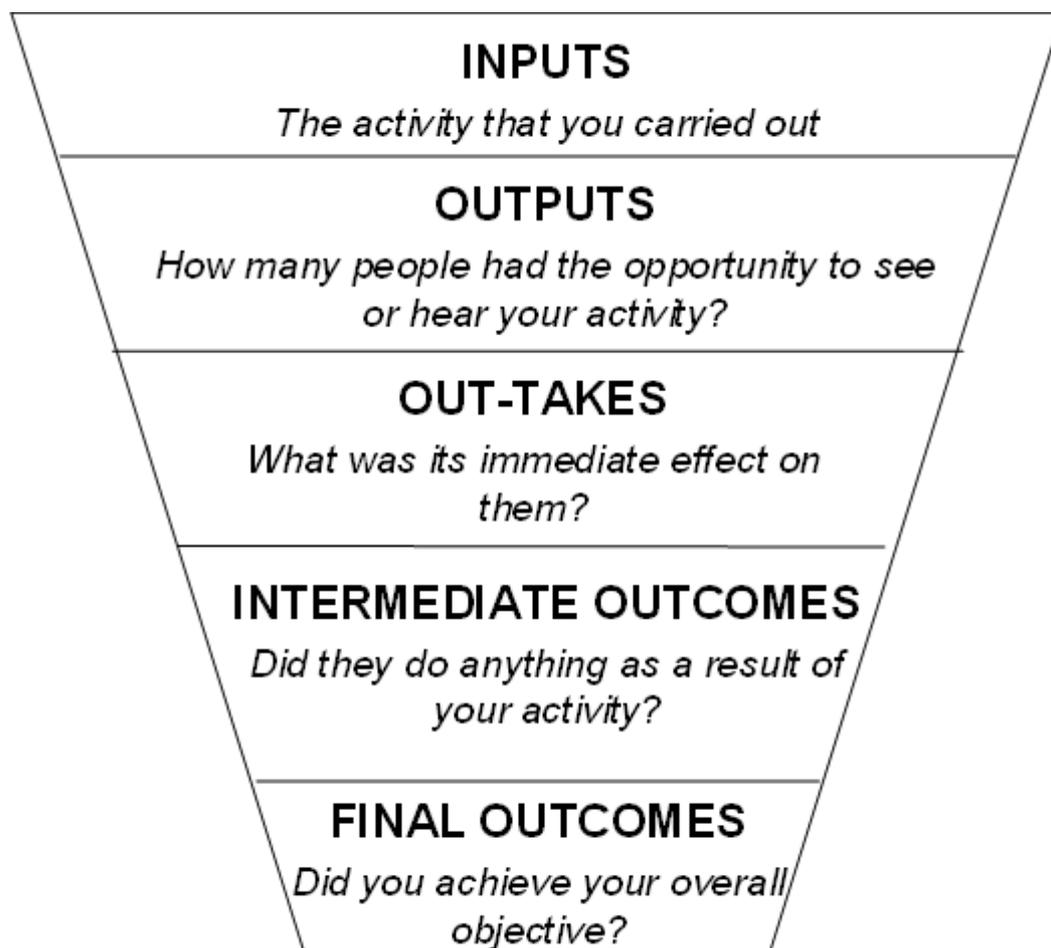
*If you found this useful; why not try:*

Financial Capability resources on Budgeting and Debt  
Consumer education on Scams  
Consumer education on Doorstep Selling.  
National Consumer Week activity pack.

## Closing Session - Evaluation Framework

A Citizens Advice evaluation will be available on the education page; however, the framework offers the trainer questions that will enable a more in-depth analysis of the session. This can be done as a post-session analysis by the trainer or can be discussed with the participants.

This will be dependent on the timescale available and also the engagement of the participants.



The trainer should feedback their experience of the resources to Citizens Advice, with specific note to

- The ease of use of the materials
- The effectiveness of the activities
- Any recommended top tips
- Any other recommendations for the resource
- Any interest from participants for other resource topics
- Other requests or overall comments.

## Resource and Appendix - Resource Activity 1

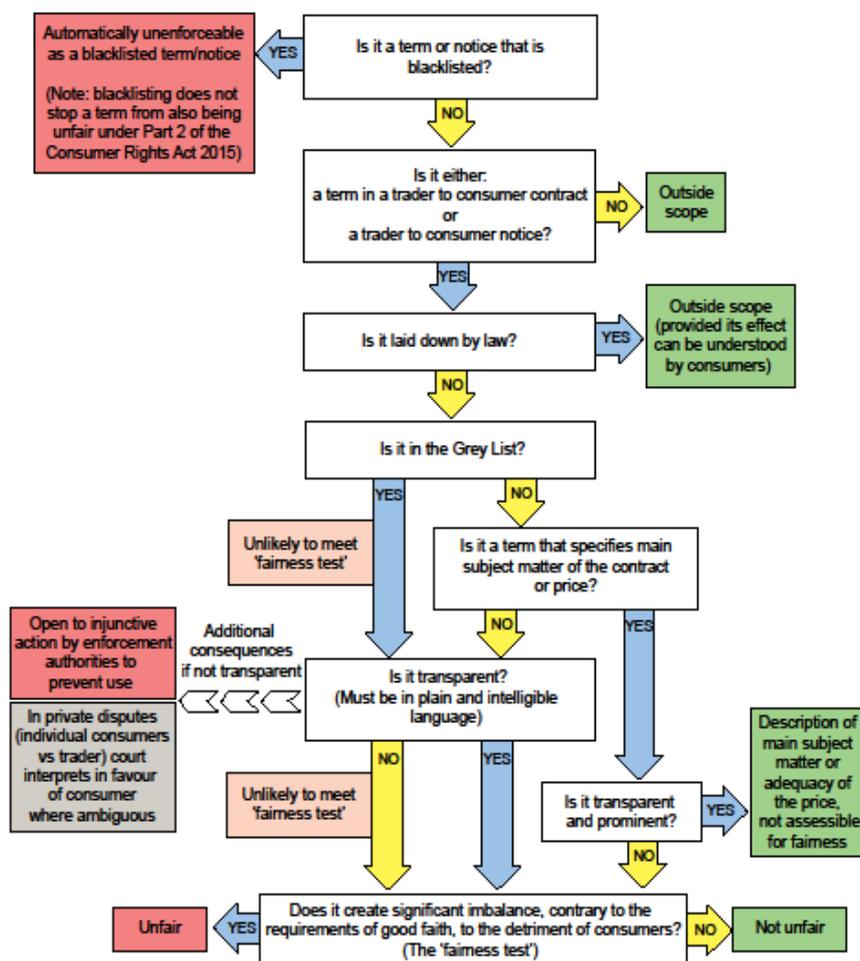
### Competition and Market Authorities Unfair terms flowchart

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/450429/Unfair\\_terms\\_flowchart.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/450429/Unfair_terms_flowchart.pdf)



### Unfair contract terms flowcharts

#### Unfair terms flowchart



The flowchart aims to provide an 'at a glance' simplified overview of the unfair terms provisions in Part 2 of the Consumer Rights Act 2015 (the Act). It should not be used, in isolation, to determine the fairness or otherwise of a particular term, and should be read in light of the guidance documents as a whole. It is not a substitute for legal advice.

## Resources and Appendix

**Consumer Rights Act** – full detail of the Consumer Rights Act  
<http://www.legislation.gov.uk/ukpga/2015/15/introduction/enacted>

**Citizens Advice Consumer Contracts information** – advice and guidance on the process of understanding, agreeing to and resolving issues with contracts  
<https://www.citizensadvice.org.uk/consumer/protection-for-the-consumer/consumer-contracts/>

**Business Companion, Trading Standards law explained – Consumer Contracts**  
<http://www.businesscompanion.info/en/quick-guides/consumer-contracts>

Competition and Market Authorities Unfair terms flowchart  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/450429/Unfair\\_terms\\_flowchart.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/450429/Unfair_terms_flowchart.pdf)

The Consumer Rights Act  
<http://www.legislation.gov.uk/ukpga/2015/15/section/3>

The Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 (the CCRs.)  
[www.citizensadvice.org.uk/consumer/different-ways-of-buying/buying-by-internet-mail-order-or-phone/how-a-distance-sale-contract-is-made/](http://www.citizensadvice.org.uk/consumer/different-ways-of-buying/buying-by-internet-mail-order-or-phone/how-a-distance-sale-contract-is-made/)

BSL Sign Language Consumer Rights Buying at a distance  
[www.citizensadvice.org.uk/resources-and-tools/Languages/advice-in-bsl/consumer-advice-in-bsl/](http://www.citizensadvice.org.uk/resources-and-tools/Languages/advice-in-bsl/consumer-advice-in-bsl/)

Misleading and Aggressive practices  
[www.citizensadvice.org.uk/consumer/protection-for-the-consumer/unfair-trading/unfair-trading-practices-what-you-can-do-if-you-ve-been-misled-or-harassed/](http://www.citizensadvice.org.uk/consumer/protection-for-the-consumer/unfair-trading/unfair-trading-practices-what-you-can-do-if-you-ve-been-misled-or-harassed/)

[www.gov.uk/government/policies/providing-better-information-and-protection-for-consumers/supporting-pages/consumer-and-competition-landscape-reform](http://www.gov.uk/government/policies/providing-better-information-and-protection-for-consumers/supporting-pages/consumer-and-competition-landscape-reform)

Articles are provided in the resource section in this pack and further information on how contracts are formed can be found at:

[www.citizensadvice.org.uk/consumer/protection-for-the-consumer/](http://www.citizensadvice.org.uk/consumer/protection-for-the-consumer/)

And:

<https://www.citizensadvice.org.uk/consumer/protection-for-the-consumer/consumer-contracts/>

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### **Excerpts from Adviser consumer articles**

This article refers to various pieces of consumer legislation that may be useful for the activities in this pack. Please note this article refers to the Consumer Rights Bill, which is now the Consumer Rights Act, but provides detail of the context and chronology in which the Act has come into effect.

The implementation of the ICACs (The Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013, Misleading and Aggressive (Commercial) Practices (MAPS) 2014 last year and the Consumer Rights Act this year will see significant changes to consumer rights and how they are enforced. This now presents a great opportunity to raise the profile of consumer advice (and services available) and consumer education.

Consumer education undoubtedly goes hand in hand with advice and education but is a term that is often misunderstood. Consumer Education is about raising awareness of consumer rights, who can help, how to exercise your rights effectively and how to identify potential consumer problems. Everyone has experienced a consumer issue and quite often asking questions such as 'has anyone had trouble returning an item in a sale?' or 'what's your experience of buying online?' or 'do you understand how to work out your energy Act?' is a simple enough way to introduce consumer education and help to put the term consumer into a context many can relate to. Questions such as these can generate good discussions about perception of rights and responsibilities. Many people will admit to not knowing their consumer rights, but even for those that do they will have to update their knowledge to align with the changes the Consumer landscape are bringing.

A brief overview of the changes will give an understanding of what the changes to consumer rights mean for consumers and advisers and how they can be addressed within consumer education.

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

From June 13th 2014 businesses had to amend their processes and procedures to ensure compliance with the Regulations which brought some changes to make sure that the UK complies with the Consumer Rights Directive.

Businesses which sell online and off premises would have previously adhered to the Distance Selling Regulations and the Doorstep Selling Regulations; however the ICAC Regulations consolidated these two pieces of legislation and also brought in some new provisions too. These requirements only apply

where businesses are dealing with customers who are consumers, not other traders.

The ICAC laws give better protection to consumers when buying goods or services in UK and Europe. Businesses must provide the consumer with information before they buy goods or services. Some contracts allow the chance to and back the goods or not have the service within a short time after the consumer has bought the goods or agreed to have the service. How much businesses will have to follow these rules will depend on where or how the contract was made.

In a shop, garage or business – this is called an ‘on-premises’ contract. In your home, on the street or away from the business address – this is called an ‘off-premises’ contract. Over the telephone, on-line or by mail order – this is called ‘at a distance’ contract. It is important to remember this information when buying goods or services so the consumer knows their legal rights.

Before the consumer buys goods or services they should be given clear and easy to understand information especially about their rights to cancel the contract and not have the goods or services if they change their mind.

The regulations also put more responsibility on the consumer’s part to return items in good condition. There is an onus on the consumer to check the contract, ensure that goods are returned within the time frame, returned in suitable packaging and good condition.

The regulations clearly layout what is the consumers’ responsibilities and what are the traders’ responsibilities, so consumers should be encouraged to check what is involved before entering into contracts. Information can be found via the Citizens Advice website, local bureau and the Citizens Advice Consumer advice service.

### **Misleading and Aggressive (Commercial) Practices (MAPS) 2014**

Important amendments to the Consumer Protection from Unfair Trading Regulations 2008 (CPRs) came into force on 1 October 2014. The Consumer Protection (Amendment) Regulations 2014 has given consumers new rights of redress when they buy goods or make payments following traders’ misleading or aggressive practices.

In summary, the new Regulations:

Give consumers the right to unwind the contract within 90 days and receive a full refund;

Give consumers the right to a discount on the price

Clarify that practices such as wheel-clamping and so-called ‘civil recovery’ against alleged shop-lifting are within the scope of the CPRs.

However it is still essential, as much as is possible, that consumers check and understand contracts before they enter into an agreement. This may not be so easy with aggressive selling techniques but consumers should be aware of whom to seek advice from. The consumer should attempt to deal with the situation problem as soon as possible.

### **Consumer Rights Act 2015**

The Consumer Rights Act comes into force October 2015 will consolidate and strengthen the wide range of consumer rights legislation currently in existence and has the potential to make it far simpler for people to understand and use their rights when things go wrong. It will cover the rights and remedies available in respect of goods, services and digital content, the fairness of the

terms in consumer contracts for these products and consumer guarantees for goods. Some of this consolidates rights around Fitness for Purpose Make Known (FFPMK) Satisfactory Quality (SQ); some of the CRB will clarify issues around remedies for resolving consumer problems and action that can be taken. There are also new content areas including, new content around rights, Digital content and Letting Agents Fees.

Key areas that the CRB focuses on are...

Goods

Services

Digital Content

Unfair terms

Letting agent fee

Enhanced Consumer Measures

Private Actions in Competition Law

Miscellaneous provisions

Secondary Ticketing