

**dti**

**CONSUMER AND  
COMPETITION POLICY**

Consultation on proposed  
changes to the Consumer  
Protection (Distance Selling)  
Regulations 2000

**CONSULTATION DOCUMENT**

January 2004

**dti**

The DTI drives our ambition of 'prosperity for all' by working to create the best environment for business success in the UK. We help people and companies become more productive by promoting enterprise, innovation and creativity.

We champion UK business at home and abroad. We invest heavily in world-class science and technology. We protect the rights of working people and consumers. And we stand up for fair and open markets in the UK, Europe and the world.

## Consultation on changes to the Distance Selling Regulations

### Context and purpose of the consultation

One of the key DTI objectives underpinning our vision to create "prosperity for all" is to place empowered and protected consumers at the heart of an effective competition regime. This includes protecting consumers when they buy on the internet, by mail order, and using other forms of distance communication. The Consumer Protection (Distance Selling) Regulations, which came into force in October 2000, transpose into UK law EC Directive 97/7 on the protection of consumers in respect of distance contracts - the Distance Selling Directive.

In the light of representations, particularly from the vehicle rental and leasing sector, DTI has been considering the scope to amend parts of the Regulations which may be unclear, impracticable or unduly costly for suppliers. This consultation invites your views on the changes we are proposing to make and on the partial Regulatory Impact Assessment at Annex A.

Issued 22 January 2004

Respond by 23 April 2004

#### Enquiries to:

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# Contents

1. Executive summary

2. The proposals

3. What happens next?

Annex A Regulatory Impact Assessment

Annex B The Consumer Protection (Distance Selling) Regulations 2000

Annex C Directive 97/7/EC of the European Parliament and of the Council of 20 May 1997 on the protection of consumers in respect of distance contracts

Annex D Code of Practice on Consultations

Annex E List of consultees

# 1. Executive Summary

1.1 The Consumer Protection (Distance Selling) Regulations give consumers protection when they buy on the internet, by mail order, and using other forms of distance communication. This consultation invites your views on changes DTI is proposing in order to make the Regulations clearer, more workable and less costly for suppliers and consumers. We also want your views on the partial Regulatory Impact Assessment at Annex A.

1.2 The key proposals are:

- explicitly to require the information to be provided to the consumer prior to contract to cover the existence or absence of a right to cancel and, in the case of services whose performance is to start within seven days, information that the right to cancel will expire once performance begins (Regulation 7);
- to require consumers to be given, during the performance of a service, information (in writing or another durable form) about the loss of cancellation rights once performance begins. At present this information must be provided prior to contract (Regulation 8);
- to allow consumers to cancel contracts by phone (Regulation 10).

## How to respond

1.3 When responding please state whether you are responding as an individual or representing the views of an organisation. If responding on behalf of an organisation, please make it clear who the organisation represents and, where applicable, how the views of members were assembled.

1.4 A response can be submitted by letter, fax or email to:

Linda Prosper  
Consumer and Competition Policy Directorate  
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1 Victoria Street  
London, SW1H 0ET

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Fax + 44 (0)207 215 0339  
E-mail [linda.prosper@dti.gsi.gov.uk](mailto:linda.prosper@dti.gsi.gov.uk)

1.5 Questions about the policy issues raised in the document can also be addressed to Linda Prosper.

1.6 A list of those organisations and individuals consulted is in Annex E. We would welcome suggestions of others who may wish to be involved in this consultation process.

### **Additional copies**

1.7 Further printed copies of the consultation document can be obtained from:

DTI Publications Orderline  
ADMAIL 528  
London SW1W 8YT  
Tel: 0870 1502 500  
e-mail: [publications@dti.gsi.gov.uk](mailto:publications@dti.gsi.gov.uk)

1.8 An electronic version can be found at [www.dti.gov.uk/ccp/consultations.htm](http://www.dti.gov.uk/ccp/consultations.htm). Other versions of the document in Braille, other languages or audio cassette are available on request.

### **Confidentiality**

1.9 Your response may be made public by the DTI. If you do not want all or part of your response or name made public, please state this clearly in the response. Any confidentiality disclaimer that may be generated by your organisation's IT system or included as a general statement in your fax cover sheet will be taken to apply only to information in your response for which confidentiality has been requested.

1.10 We will handle any personal data you provide appropriately in accordance with the Data Protection Act 1998.

### **Help with queries**

1.11 If you have comments or complaints about the way this consultation has been conducted, these should be sent to:

Philip Martin  
Consultation Co-ordinator  
Department of Trade and Industry  
Room 723  
1 Victoria Street  
London SW1H 0ET  
[philip.martin@dti.gsi.gov.uk](mailto:philip.martin@dti.gsi.gov.uk)

1.12 A copy of the Code of Practice on Consultation is in Annex D.

## Consultation questions

- 1 Compared to the existing Regulation 7(1)(a)(vi), would the amended version impose additional costs on suppliers (please quantify)? How would any such costs arise (eg because of the need to alter company literature or guidance for employees)?
- 2 What benefits would a clearer version of Regulation 7(1)(a)(vi) bring to suppliers, consumers and other stakeholders such as advice agencies and enforcement authorities?
- 3 To what extent would each of the options for changes to Regulations 8 and 12 reduce businesses' costs?
- 4 To what extent would each of the options for changes to Regulations 8 and 12 produce benefits for consumers (eg lower prices, more choice)?
- 5 To what extent would each of the options for changes to Regulations 8 and 12 be detrimental to consumers, compared to the present situation?
- 6 Option (iv) includes a provision that if the written or otherwise durable information about cancellation rights is provided after performance has begun, the cancellation period ends seven working days after the information is received. Would it be desirable to reduce this seven day period or, for example, to allow the consumer a reasonable time in which to cancel having received the information?
- 7 Would allowing cancellation by telephone, website and text message have any impact on business costs? If so, please quantify the effect.
- 8 To what extent, if any, would allowing cancellation by telephone, website and text message benefit consumers or be detrimental to their interests?
- 9 Would any of the changes proposed in this consultation document affect competition within any specific market? If so, please explain how this would happen.

## Regulatory Impact Assessment

1.13 A partial Regulatory Impact Assessment (RIA) is attached. We welcome comments on the analysis of the costs and benefits of the proposed changes, and on unintended consequences or other implications.

1.14 We particularly welcome information on:

- the benefits and costs of each of the options for Regulations 7, 8 and 10, including the estimated benefits and costs for typical businesses;
- the impact on small firms;
- where you identify benefits (including savings/cost reductions) or additional costs, please provide separate figures on implementation costs (one-off costs such as training or preparing new information) and continuing costs such as administrative or equipment costs.

## 2. The proposals

### Introduction

2.1 The Distance Selling Regulations, which transpose into UK law EC Directive 97/7 on the protection of consumers in respect of distance contracts (the Distance Selling Directive), include provisions on:

- information to be given to consumers;
- the right to cancel the contract within seven working days of receiving the goods or the conclusion of a contract for services;
- deadlines for the delivery of goods or performance of services;
- protection against fraudulent use of payment cards;
- prohibition of inertia selling.

2.2 The Regulations do not apply to certain contracts including those for the sale of land, for financial services and contracts concluded at auction. Some of the provisions, including those on information and the right to cancel, do not apply to certain contracts for the provision of accommodation, transport, catering and certain other goods and services.

2.3 This consultation invites your views on changes DTI is proposing in order to make the Regulations clearer, more workable and less costly for suppliers and consumers. We also welcome comments on the partial Regulatory Impact Assessment at Annex A. A full Regulatory Impact Assessment will accompany the final legislation.

2.4 Regulations 7, 8, 12 and 13 are linked. Regulation 7(1)(a)(vi) requires the supplier to inform the consumer of the existence of a right to cancel "except in the cases referred to in Regulation 13" (which lists those goods and services for which there is no right to cancel). Regulation 8(3) requires suppliers of services to inform consumers in writing or another durable medium, before the contract is made, that they will not be able to cancel the contract once performance of the services has begun with their agreement. Regulation 12(2) says that where the supplier complies with Regulation 8 on or before the day on which the contract is concluded, the cancellation period ends seven working days after the conclusion of the contract. Regulation 13(1)(a) says that unless the parties have agreed otherwise, the consumer will not be able to cancel the contract if the supplier has complied with Regulation 8(3) and performance has begun.

## Regulation 7

2.5 Regulation 7(1)(a)(vi) requires the supplier to inform the consumer prior to contract of the existence of a right to cancel “except in the cases referred to in Regulation 13”. This copies Article 4(1)(f) of the Directive, which says that the consumer must be provided with information about “the existence of a right of withdrawal, except in the cases referred to in Article 6(3)”. This pre-contractual information need not necessarily be provided in writing; it must be provided “in a clear and comprehensible manner appropriate to the means of distance communication used” (Article 4(2)). There is a particular question about what the consumer must be told if he or she is ordering a service by phone.

2.6 There is a problem interpreting Article 4(1)(f) and hence of Regulation 7(1)(a)(vi). It could mean that if there is no right to cancel, the supplier need not mention it, or that information need not be provided about any of the exceptions to the right to cancel in Article 6(3). However the more prudent options are as follows.

### Regulation 7(1)(a)(vi) options

2.7 The options are:

- (i) the status quo - copy out the Directive.
- (ii) amend Regulation 7(1)(a)(vi) to state more clearly that: whether or not a right to cancel exists, the consumer must be informed about the situation; and that, in the case of services beginning within seven clear working days, the right may expire once the performance of a service begins.

2.8 We believe it would be appropriate for consumers to be told if they do not have a right to cancel, or if they have a right to cancel which will expire once the service begins. The second paragraph of Article 5 of the Directive, on “Written confirmation of information”, says that “In any event the following must be provided: - written information on the conditions and procedures for exercising the right of withdrawal ... including the cases referred to in the first indent of Article 6(3)” (ie including cases where there is no right to cancel once performance of the service has begun). This suggests that Article 4(1)(f) was meant to require suppliers to inform consumers if there was no right to cancel, or a right to cancel which lasted less than seven days.

2.9 We therefore propose to amend Regulation 7(1)(a)(vi) to state more clearly that whether or not a right to cancel exists, the consumer must be informed about it; that, in the case of services beginning within seven clear working days, the right may expire once the performance of a service begins; and that the consumer should be advised to read the written or otherwise durable information about cancellation which will be provided (in accordance with Regulation 8).

## Questions

1 Compared to the existing Regulation 7(1)(a)(vi), would the amended version impose additional costs on suppliers (please quantify)? How would any such costs arise (eg because of the need to alter company literature or guidance for employees)?

2 What benefits would a clearer version of Regulation 7(1)(a)(vi) bring to suppliers, consumers and other stakeholders such as advice agencies and enforcement authorities?

## Regulations 8, 12 and 13

2.10 Regulation 8(3) says that:

"... prior to the conclusion of a contract for the supply of services, the supplier shall inform the consumer in writing or in another durable medium which is available and accessible to the consumer that, unless the parties agree otherwise, he will not be able to cancel the contract under Regulation 10 once the performance of the services has begun with his agreement."

2.11 Regulation 10 sets out the right to cancel, subject to Regulation 13, which deals with exceptions. Regulation 13(1)(a) means that the consumer will not normally have the right to cancel a contract for services if the supplier has complied with Regulation 8(3) and performance of the contract has begun with the consumer's agreement before the end of the cancellation period. Regulation 12 sets out the cancellation periods for contracts for services.

2.12 Regulation 8(3) goes further than the Directive (Article 5), which requires the supplier to inform the consumer, in writing or another durable medium, about the loss of the right to cancel in good time during the performance of the service.

2.13 By requiring the supplier to inform the consumer about the loss of cancellation rights before the contract is made, Regulation 8(3) gives consumers some extra protection, particularly from suppliers who cold call and who may seek to deny consumers the right to cancel, or mislead them about services. For example when the Regulations were made it was felt that Regulation 8(3) would help protect consumers against erroneous transfers and mis-selling by gas and electricity companies.

2.14 However Regulation 8(3) creates problems for legitimate suppliers who do not necessarily cold call but who frequently receive orders over the phone, particularly in cases where the consumer expects the service to start straight away or within a day or two. DTI guidance says the Regulation 8(3) information may be provided by e-mail or fax, or by directing the consumer to a statement in an advert, but this may not always be possible. If the information had to be mailed to the consumer or sent by courier before the conclusion of the contract, compliance might be impracticable or costly and some services could be delayed. DTI has received representations from the car hire sector, but other sectors (eg vehicle recovery, skip hire, phone line connection) could also be affected.

2.15 If a supplier of a service which is to begin quickly (ie within seven days) fails to comply with Regulation 8(3), the consumer's normal cancellation rights apply. The exception to the right to cancel provided in Regulation 13(1)(a) is disapplied, and under Regulations 12(3) and (4) the cooling off period is seven clear days after the consumer receives the information, if it is provided within three months of the contract being concluded<sup>1</sup>; and if it is not provided within 3 months, the cooling off period is three months and seven days after the conclusion of the contract.

2.16 In addition, a breach of Regulation 8(3) could lead to enforcement action by the Office of Fair Trading (OFT) or a trading standards authority under Regulation 27 or, if a breach of the Regulations was harming the collective interests of consumers, under Part 8 of the Enterprise Act 2002.

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<sup>1</sup> This applies where the supplier has not complied with Regulation 8 on or before the day on which the contract is concluded.

## Regulations 8 and 12: options

2.17 The main options are:

- (i) The status quo.
- (ii) Continue to apply Regulation 8(3) to certain kinds of services contract, such as those of more than three months' duration, or those that follow cold calling by the supplier. In other services cases the written/durable information on the exceptions to the right to cancel would have to be provided in good time during the performance of the contract, in accordance with Article 5 of the Directive. In theory this would retain much of the protection of Regulation 8(3), but in practice provisions of this kind may be vulnerable to circumvention or difficult to enforce.
- (iii) Amend Regulation 8(3) to require the written/durable information about cancellation rights to be provided prior to performance of the service. As now, the right to cancel would start the day the contract is made; and Regulation 12 would be amended so that the right to cancel would end when performance began, or, alternatively, seven days after the information was received. This would make it easier for suppliers in some sectors to provide the information (eg at the time the hire car is collected). However this could still be difficult for some suppliers, particularly those whose services may not involve personal contact with the consumer (eg telephone contracts).
- (iv) Require the information on cancellation rights to be provided in good time during the performance of the service. The right to cancel would start the day the contract is made. Regulation 12 would be amended so that the cancellation period would end once performance has begun with the consumer's agreement, if the information was provided before performance began; and that if the information is provided after performance begins, the cancellation period ends seven working days after the information is received.
- (v) Follow the approach in the Directive, which requires the supplier to inform the consumer, in writing or another durable medium, about the loss of the right to cancel in good time during the performance of the service. This is already provided for in Regulation 8(1). There would be no right to cancel once performance had begun. In addition, Regulation 8(2) would need to be amended to reflect the first indent of the second paragraph of Article 5, which requires the supplier to provide written information about "the cases referred to in Article 6(3)", ie exceptions to the right to cancel.

2.18 We propose to adopt Option (iv):

- written/durable cancellation information to be provided in good time during the performance of the service;
- if the information is provided before performance begins, the right to cancel ends at that point;
- if the information is provided after performance has begun, the cancellation period ends seven working days after the information was received.

2.19 Option (iv) is likely to be more workable for suppliers and consumers in situations where, for example, the consumer decides to book a service over the phone and wants it to start in the near future. It offers more protection than the Directive in so far as cancellation would still be possible after performance had begun if the consumer had not received written or durable confirmation of his or her cancellation rights.

2.20 Like the Directive, Option (iv) could provide less protection than Regulation 8(3) in some situations, including energy mis-selling. However specific protection for gas and electricity consumers is contained in Sections 30A (1) of the Gas Act 1986 and 27A (1) of the Electricity Act 1989, which empower the Gas and Electricity Markets Authority to enforce standard licence conditions (SLCs). These cover the provision of contract terms within 5 days, agent training and identification, consumer information about contracting, and audits<sup>2</sup>. In February 2002 Ofgem and energywatch introduced the Erroneous Transfer Customer Charter (ETCC). Suppliers make monthly reports to Ofgem, which may use the data in mis-selling investigations. Ofgem's 2003 report on the ETCC concluded that it continued to be fit for purpose and that suppliers in the main were performing well.

## Questions

3 To what extent would each of the options for changes to Regulations 8 and 12 reduce businesses' costs?

4 To what extent would each of the options for changes to Regulations 8 and 12 produce benefits for consumers (eg lower prices, more choice)?

5 To what extent would each of the options for changes to Regulations 8 and 12 be detrimental to consumers, compared to the present situation?

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<sup>2</sup> In October 2002 the Gas and Electricity Markets Authority fined London Electricity £2m for mis-selling under its own and Virgin's brand in breach of SLC 48 of its gas and electricity licences (although the main problems did not concern distance contracts).

6 Option (iv) includes a provision that if the written or otherwise durable information about cancellation rights information is provided after performance has begun, the cancellation period ends seven working days after the information is received. Would it be desirable to reduce this seven day period or, for example, to allow the consumer a reasonable time in which to cancel having received the information?

## **Regulation 10**

2.21 Regulation 10 sets out the means by which the consumer may notify the supplier if the consumer intends to exercise the right to cancel the contract. Regulation 10(3) says that:

“For the purposes of these Regulations, a notice of cancellation is a notice in writing or in another durable medium available and accessible to the supplier (or to the other person to whom it is given) which, however expressed, indicates the intention of the consumer to cancel the contract.”

2.22 Regulation 10(4) says that a cancellation notice is to be treated as having been properly given if the consumer leaves it at the supplier’s address, or posts, faxes or e-mails it, and that it is to be taken to have been given on the day on which it was left, posted or sent (as the case may be).

2.23 A supplier who received a notice of intention to cancel over the phone would not be obliged to treat it as having been properly given. This may create particular problems for suppliers and consumers in situations where rapid notification of cancellation is desirable - for example where a service is about to begin. More generally, suppliers and consumers are increasingly becoming used to conducting a wide variety of customer transactions by phone.

## **Regulation 10: options**

2.24 The main options are:

- (i) the status quo;
- (ii) amend Regulation 10(4) to allow notice of cancellation to be given by one or more means not currently provided for, eg telephone, website, text message.

2.25 In practice, a consumer cancelling by phone might need to be able to prove that he or she had in fact done so. Suppliers should not be obliged to log calls. If consumers were to be allowed to cancel by phone, they would probably need to be advised to confirm a phone call in writing - and to despatch the letter (or fax or e-mail) within the cooling off period. Nevertheless there would be benefits in allowing cancellation by phone in particular:

- it could be easier and quicker for those without access to e-mail or fax;
- compared to postal notification, it could minimise the scope for disputes about the exact time the consumer had decided to cancel;
- it could help address the problem of suppliers supplying services in the time between a consumer posting a notice of cancellation and its arrival;
- it could help those with literacy problems.

2.26 We therefore propose to adopt Option (ii): amend Regulation 10(4) to allow notice of cancellation to be given by one or more means not currently provided for, eg telephone, website, text message.

## Questions

7 Would allowing cancellation by telephone, website and text message have any impact on business costs? If so, please quantify the effect.

8 To what extent, if any, would allowing cancellation by telephone, website and text message benefit consumers or be detrimental to their interests?

9 Would any of the changes proposed in this consultation document affect competition within any specific market? If so, please explain how this would happen.

## 3. What happens next?

3.1 DTI will publish a summary of the responses to the consultation on the DTI website in July 2004. Paper copies will be available on request. The decisions taken in the light of the consultation, and the reasons for them, will be published in the same way.

3.2 It would be possible to make the necessary amendments, using powers in Section 2.2 of the European Communities Act 1972, without

conflicting with the Directive. Regulation 7(1)(a)(vi) copies the wording of the Directive (Article 4.1(f)), but it would be possible to clarify the nature of the exception without reducing the protection the article provides. Regulation 8(3) goes further than the Directive, which requires the consumer to be given the information about the loss of cancellation rights in good time during the performance of the contract (rather than before it is made); and the Directive does not address the means consumers should use to cancel the contracts.

3.3 If it is decided that changes to the Regulations should be made, DTI will prepare revised guidance. Separately, the Office of Fair Trading (OFT) is consulting on new draft guidance (on the both the Distance Selling Regulations and the Unfair Terms in Consumer Contracts Regulations) for consumer IT goods suppliers who operate distance schemes; the deadline for comments is 30 January 2004.

3.4 The European Commission has been carrying out a review to meet the requirement in the Directive that it should submit a report to the European Parliament and the Council on the implementation of the Directive no later than four years after its entry into force. This report could be published later this year. DTI has written to the Commission about issues it wants considered. Depending on the content of the Commission report we may carry out a further public consultation once it has been published, since the report may offer stakeholders the opportunity to suggest changes which would need to be made to the Directive (as opposed to the UK implementing Regulations).

## PARTIAL REGULATORY IMPACT ASSESSMENT

### 1. TITLE OF PROPOSAL

Changes to The Consumer Protection (Distance Selling) Regulations 2000

### 2. PURPOSE AND INTENDED EFFECT OF MEASURE

#### Objective

2.1 The objective is to amend parts of the Distance Selling Regulations to improve their clarity and workability and to reduce compliance costs. The changes will affect firms supplying goods and services to consumers and other stakeholders including enforcement authorities, advice agencies and consumers themselves.

2.2 We have identified three areas where it may be possible to make improvements:

- Regulation 7(1)(a)(vi), which requires the supplier to inform the consumer prior to contract of the existence of a right to cancel “except in the cases referred to in regulation 13” (which lists those goods and services for which there is no right to cancel). Regulation 7(1)(a)(vi) could state more clearly that if there is no right to cancel, or a reduced right, the consumer must be so informed;
- Regulation 8(3), which requires a supplier of services to inform the consumer in writing or another durable medium, before the contract is made, that he will not be able to cancel the contract (under Regulation 12) once performance of the services has begun with his agreement. This creates problems for some suppliers, such as car hire firms, who receive bookings over the phone for services which consumers want to begin straight away or within a day or two;
- Regulation 10(4), which requires the consumer who intends to cancel a contract to notify the supplier by letter, fax or e-mail. There is no provision for notification by phone.

2.3 Regulations 7 and 8 are linked: the latter requires the supplier to give the consumer written (or otherwise durable) confirmation of the pre-contractual information required by the former. The changes we are proposing to each are not however interdependent. For example there is a case for clarifying Regulation 7(1)(a)(vi) regardless of whether Regulation 8(3) is amended.

2.4 Devolution: the Distance Selling Regulations apply to England, Wales, Scotland and Northern Ireland.

## **Background**

2.5 The Consumer Protection (Distance Selling) Regulations, which came into force in October 2000, transpose into UK law EC Directive 97/7 on the protection of consumers in respect of distance contracts - the Distance Selling Directive. A Regulatory Impact Assessment was carried out in August 2000.

2.6 The Distance Selling Regulations include provisions on:

- information to be given to consumers;
- the right to cancel the contract within seven working days of receiving the goods or the conclusion of a contract for services;
- deadlines for the delivery of goods or performance of services;
- protection against fraudulent use of payment cards;
- prohibition of inertia selling.

2.7 Following representations from the vehicle rental and leasing sector and discussions with the Office of Fair Trading, DTI has been considering the scope to improve parts of the Regulations. It would be possible to make the proposed amendments using powers in Section 2.2 of the European Communities Act 1972, without conflicting with the EC Directive.

## **Risk assessment**

2.7 The proposed changes aim to address the following risks:

- Regulation 7(1)(a)(vi): suppliers may not understand the requirements of the Regulations, as a result of which some consumers may not be informed about their cancellation rights;
- Regulations 8(3) and 12: suppliers of certain kinds of service may find it hard to comply. If the required information had to be mailed to the consumer or sent by courier before the conclusion of the contract, compliance might be impracticable or disproportionately costly. Some services could be delayed and might not be viable;

- Regulation 10(4): the absence of provision for notification by phone may create problems for suppliers and consumers in situations where rapid notification of cancellation is desirable - for example where a service is about to begin.

### 3. OPTIONS

#### Regulation 7(1)(a)(vi)

3.1 Option (i): the status quo (which is a copy out of the Directive).

3.2 Option (ii): amend Regulation 7(1)(a)(vi) to state more clearly that: whether or not a right to cancel exists, the consumer must be informed about the situation; and that, in the case of services beginning within seven clear working days, the right may expire once the performance of a service begins.

#### Regulations 8(3) and 12

3.3 Option (i): the status quo.

3.4 Option (ii): continue to apply Regulation 8(3) to certain kinds of services contract, such as those of more than three months' duration, or those that follow cold calling by the supplier. In other services cases the written/durable information on the exceptions to the right to cancel would have to be provided in good time during the performance of the contract, in accordance with Article 5 of the Directive. In theory this would retain much of the protection of Regulation 8(3), but in practice provisions of this kind may be vulnerable to circumvention or difficult to enforce.

3.5 Option (iii): amend Regulation 8(3) to require the written/durable information about cancellation rights to be provided prior to performance of the service. As now, the right to cancel would start the day the contract is made; and Regulation 12 would be amended so that the right to cancel would end when performance began, or, alternatively, seven days after the information was received. There would remain the risk that some suppliers would find compliance problematic, particularly those whose services may not involve personal contact with the consumer or where performance of the service begins before any personal contact takes place.

3.6 Option (iv): require the information on cancellation rights to be provided in good time during the performance of the service. The right to cancel would start the day the contract is made. Regulation 12 would be amended so that the cancellation period would end once performance has begun with the consumer's agreement, if the information was provided before performance began; and that if the information is provided after performance begins, the cancellation period ends seven working days after the information is received. Options (iii), (iv) and (v) could provide less protection than the status quo in some situations. For example when the Regulations were made it was felt that Regulation 8(3) would help protect consumers against erroneous transfers and mis-selling by gas and electricity companies.

3.7 Option (v): follow the approach in the Directive, which requires the supplier to inform the consumer, in writing or another durable medium, about the loss of the right to cancel in good time during the performance of the service. This is already provided for in Regulation 8(1). There would be no right to cancel once performance had begun. In addition, Regulation 8(2) would need to be amended to reflect the first indent of the second paragraph of Article 5, which requires the supplier to provide written information about "the cases referred to in Article 6(3)", ie exceptions to the right to cancel.

#### Regulation 10(4)

3.8 Option (i): the status quo;

3.9 Option (ii): amend Regulation 10(4) to allow notice of cancellation to be given by one or more means not currently provided for, eg telephone, website, text message. Consumers cancelling by phone would have to be aware of the need to be able to prove that they had in fact done so. Suppliers should not be obliged to log calls. In practice consumers might need to confirm a phone call in writing - and to despatch the letter (or fax or e-mail) within the cooling off period.

## 4. BENEFITS

### Regulation 7(1)(a)(vi)

4.1 Option (i): suppliers would not need to alter their procedures.

4.2 Option (ii): suppliers should find it easier to understand the requirement and consumers would receive more accurate information about their cancellation rights.

## **Regulations 8(3) and 12**

4.3 Option (i): compared to the other options, this gives consumers some extra protection, particularly from suppliers who cold call and who may seek to deny consumers the right to cancel, or mislead them about services.

4.4 Options (ii)-(v) will, to varying degrees, reduce the costs some suppliers incur at present as a result of the Regulation 8(3) requirement to inform consumers prior to contract, in writing or another durable medium, about their cancellation rights. Options (iv) and (v) are likely to reduce these costs the most. Figures provided by the British Vehicle Rental and Leasing Association (BVRLA), which represents one of the sectors most affected by Regulation 8(3), suggest that options (iv) and (v) could save its 842 members about £30 million a year. These are the costs of the requirement to send confirmation letters to consumers who cannot receive fax or e-mail messages. In order to achieve these savings, businesses would have to incur some one-off implementation costs – see paragraph 5.1.

### **Estimated cost savings for typical businesses**

4.5 The Regulatory Impact Assessment which was produced when the Regulations came into force said that one company had estimated that its additional costs arising from the requirement to provide confirmation of contracts would be £250,000 rising to £500,000 (although there was a partial exemption from the requirement for the sector concerned).

4.6 We are seeking further information on cost savings for typical businesses in the vehicle hire, telecommunications and environmental services sectors.

### **Regulation 10(4)**

4.7 Option (i): the advantage of this approach (keeping the status quo) is that suppliers would not need to alter their procedures.

4.8 Option (ii): cancellation by (eg) phone could be easier and quicker for those without access to e-mail or fax. It could help those with literacy problems. Compared to postal notification, it could minimise the scope for disputes about the exact time the consumer had decided to cancel; and it could help address the problem of suppliers supplying services in the time between a consumer posting a notice of cancellation and its arrival. The BVRLA believes that cancellation by phone would lead to an increase in vehicle hire cancellations by a sales value of £2.09 million a year. This does not take account of possible re-sales.

## **Business sectors affected**

4.9 Subject to the exceptions described in paragraph 4.5, the proposed changes to Regulations 7(1)(a)(vi) and 10(4) could affect all suppliers of services to consumers. The proposed change to Regulation 8(3) will particularly affect firms which frequently take orders or bookings over the phone for services which consumers want to start straight away or in the near future. DTI has received representations from the vehicle rental and leasing sector, but other sectors which could be affected include commercial emergency services (eg vehicle recovery), telecommunications, home maintenance and other domestic services (eg skip hire) and suppliers of electricity and gas.

4.10 The Regulations do not apply to certain contracts including those for the sale of land, for financial services and contracts concluded at auction. Some of the provisions, including those on information and the right to cancel, do not apply to contracts for the provision of certain accommodation, transport, catering and certain other goods and services.

## **Issues of equity and fairness**

4.11 The main proposed change, to Regulation 8(3), is intended to address problems the provision causes firms which frequently take orders or bookings over the phone for services which consumers want to start straight away or in the near future (see paragraph 4.4).

## **5. COSTS**

### **Regulation 7(1)(a)(vi)**

5.1 Option (i) is the status quo. Option (ii): as we note above, Regulation 7(1)(a)(vi) is unclear. The best interpretation of the EC Directive provision on which the Regulation is based is that if there is a right to cancel, or a right which will cease once performance begins, the consumer must be so informed. The Option (ii) proposal is not to alter this requirement, but to clarify it. Businesses which are complying with the requirement will not incur extra costs. The Direct Selling Association (DSA) has commented that the proposed changes to Regulations 7(1)(a)(vi) and 8(3) would be cost neutral for its members, because they operate to higher standards under the DSA consumer code. It is possible that some firms may not be complying with Regulation 7(1)(a)(vi) because it lacks clarity. These firms could incur one-off implementation costs arising from (eg) employee training and the need to amend web-based information. The BVRLA estimates that the costs to the vehicle hire sector of the proposed changes to Regulations 7(1)(a)(vi) and 8(3) would be £120,000 for training and publication, plus £80,000 for changes to websites, contracts and marketing material.

## **Regulations 8(3) and 12**

5.2 Option (i) is the status quo. Options (ii)-(v) will give rise to implementation costs, eg arising from adjusting information provision procedures (see paragraph 5.1).

## **Regulation 10(4)**

5.3 Option (i) is the status quo. Under option (ii) some suppliers are likely to incur implementation costs, such as informing employees about procedures for receiving consumers' cancellations by phone. The BVRLA has told us it believes these costs would be negligible for its members. The Direct Selling Association believes that the proposal to allow cancellation by phone could impose significant extra costs which it said were not possible to quantify at this stage. It said that independent, home based sellers would face particular problems, one of which could be the difficulty of establishing whether or not a message of cancellation had been received. Although we would not propose to require suppliers to log or record all their customers' calls, suppliers may feel that they would need to as a measure of prudence.

## **Estimated costs for typical businesses**

5.4 We are seeking further information on costs for typical businesses in the vehicle hire, telecommunications and environmental services sectors.

## **6. SMALL FIRMS IMPACT TEST**

6.1 We have carried out stage 1 of the impact test. The information we receive from the formal consultation would feed into stage 2. Small businesses in all sectors (other than those excluded from all or part of the Regulations) could be affected by the proposed changes. We have undertaken preliminary soundings with the following small firms representative organisations: Federation of Small Business, British Chambers of Commerce, Forum for Private Business and the Institute of Directors. None of these has drawn our attention to possible significant impacts on small firms, although as we note above, the Direct Selling Association has commented that Regulation 10(4) would impose significant extra costs. The BVRLA has around 600 small firms amongst its membership.

## **7. COMPETITION ASSESSMENT**

7.1 The anticipated cost to firms of implementing any of the policy options is unlikely to be sufficient to change the existing structure of competition within any specific affected market. However, we are inviting consultees to provide information on any potential competition consequences of which they may be aware.

## **8. ENFORCEMENT**

8.1 The arrangements for enforcing the Regulations will be unchanged. The enforcement authorities are the Office of Fair Trading, Trading Standards Departments in Great Britain and the Department of Enterprise, Trade and Investment in Northern Ireland.

## **9. MONITORING AND REVIEW**

9.1 It is intended to monitor the impact of the proposed changes in conjunction with the Office of Fair Trading and other stakeholders including interested business organisations. More generally, the European Commission has been carrying out a review to meet the requirement in the Directive that it should submit a report to the European Parliament and the Council on the implementation of the Directive no later than four years after its entry into force.

## **10. CONSULTATION**

### 10.1 Within government:

Cabinet Office  
Scottish Executive  
Welsh Assembly  
Department of Enterprise, Trade and Investment in Northern Ireland  
Office of Fair Trading  
Small Business Service  
Local Authorities Coordinating Office on Regulatory Services (LACORS)

### 10.2 Public consultation

We have carried out preliminary consultations with the organisations listed in paragraph 6.1, Vodafone and British Telecommunications plc. A public consultation exercise will run from January-April 2004.

## 11. SUMMARY AND RECOMMENDATIONS

### Regulation 7(1)(a)(vi)

11.1 We recommend Option (ii): amend the Regulation to state more clearly that whether or not a right to cancel exists, the consumer must be informed about the situation. The information we have received so far suggests the costs would be minimal – eg about £200,000 changeover costs for the vehicle hire sector whose sales to consumers are worth about £368 million a year. On the benefit side, suppliers should find it easier to understand the requirement and consumers would receive better information about their rights.

### Regulations 8(3) and 12

11.2 We recommend option (iv): require the written or otherwise durable information on cancellation rights to be provided in good time during the performance of the service. This should to be more workable for suppliers and consumers in situations where, for example, the consumer decides to book a service over the phone and wants it to start in the near future. There could be substantial savings to business: in the vehicle hire sector they could be £30 million a year on a turnover of about £368 million a year.

### Regulation 10(4)

11.3 Recommendation: option (ii): amend Regulation 10(4) to allow notice of cancellation to be given by one or more means not currently provided for, eg telephone, website, text message.

11.4 Allowing cancellation by phone will make it easier for some consumers to exercise the right.

## 12. DECLARATION

*I have read the Regulatory Impact Assessment and I am satisfied that the benefits justify the costs.*

Signed .....

Date

Gerry Sutcliffe  
Parliamentary Under Secretary of State for Employment Relations,  
Consumers and Competition  
Department of Trade and Industry

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The Consumer Protection (Distance Selling) Regulations 2000

Statutory Instrument 2000 No. 2334

The Consumer Protection (Distance Selling) Regulations 2000

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STATUTORY INSTRUMENTS

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2000 No. 2334

CONSUMER PROTECTION

The Consumer Protection (Distance Selling) Regulations 2000

|                               |                           |
|-------------------------------|---------------------------|
| <i>Made</i>                   | <i>31st August 2000</i>   |
| <i>Laid before Parliament</i> | <i>1st September 2000</i> |
| <i>Coming into force</i>      | <i>31st October 2000</i>  |

The Secretary of State, being a Minister designated<sup>[1]</sup> for the purposes of section 2(2) of the European Communities Act 1972<sup>[2]</sup> in relation to matters relating to consumer protection, in exercise of the powers conferred on him by section 2(2) of that Act, hereby makes the following Regulations: -

**Title, commencement and extent**

1. - (1) These Regulations may be cited as the Consumer Protection (Distance Selling) Regulations 2000 and shall come into force on 31st October 2000.

(2) These Regulations extend to Northern Ireland.

**Revocation**

2. The Mail Order Transactions (Information) Order 1976<sup>[3]</sup> is hereby revoked.

**Interpretation**

3. - (1) In these Regulations -

"breach" means contravention by a supplier of a prohibition in, or failure to comply with a requirement of, these

Regulations;

"business" includes a trade or profession;

"consumer" means any natural person who, in contracts to which these Regulations apply, is acting for purposes which are outside his business;

"court" in relation to England and Wales and Northern Ireland means a county court or the High Court, and in relation to Scotland means the Sheriff Court or the Court of Session;

"credit" includes a cash loan and any other form of financial accommodation, and for this purpose "cash" includes money in any form;

"Director" means the Director General of Fair Trading;

"distance contract" means any contract concerning goods or services concluded between a supplier and a consumer under an organised distance sales or service provision scheme run by the supplier who, for the purpose of the contract, makes exclusive use of one or more means of distance communication up to and including the moment at which the contract is concluded;

"EEA Agreement" means the Agreement on the European Economic Area signed at Oporto on 2 May 1992 as adjusted by the Protocol signed at Brussels on 17 March 1993<sup>[4]</sup>;

"enactment" includes an enactment comprised in, or in an instrument made under, an Act of the Scottish Parliament;

"enforcement authority" means the Director, every weights and measures authority in Great Britain, and the Department of Enterprise, Trade and Investment in Northern Ireland;

"excepted contract" means a contract such as is mentioned in regulation 5(1);

"means of distance communication" means any means which, without the simultaneous physical presence of the supplier and the consumer, may be used for the conclusion of a contract between those parties; and an indicative list of such means is contained in Schedule 1;

"Member State" means a State which is a contracting party to the EEA Agreement;

"operator of a means of communication" means any public or private person whose business involves making one or more means of distance communication available to suppliers;

"period for performance" has the meaning given by regulation 19(2);

"personal credit agreement" has the meaning given by regulation 14(8);

"related credit agreement" has the meaning given by regulation 15(5);

"supplier" means any person who, in contracts to which

these Regulations apply, is acting in his commercial or professional capacity; and  
"working days" means all days other than Saturdays, Sundays and public holidays.

(2) In the application of these Regulations to Scotland, for references to an "injunction" or an "interim injunction" there shall be substituted references to an "interdict" or an "interim interdict" respectively.

### **Contracts to which these Regulations apply**

4. These Regulations apply, subject to regulation 6, to distance contracts other than excepted contracts.

### **Excepted contracts**

5. - (1) The following are excepted contracts, namely any contract -

(a) for the sale or other disposition of an interest in land except for a rental agreement;

(b) for the construction of a building where the contract also provides for a sale or other disposition of an interest in land on which the building is constructed, except for a rental agreement;

(c) relating to financial services, a non-exhaustive list of which is contained in Schedule 2;

(d) concluded by means of an automated vending machine or automated commercial premises;

(e) concluded with a telecommunications operator through the use of a public pay-phone;

(f) concluded at an auction.

(2) References in paragraph (1) to a rental agreement -

(a) if the land is situated in England and Wales, are references to any agreement which does not have to be made in writing (whether or not in fact made in writing) because of section 2(5)(a) of the Law of Property (Miscellaneous Provisions) Act 1989<sup>[5]</sup>;

(b) if the land is situated in Scotland, are references to any agreement for the creation, transfer, variation or extinction of an interest in land, which does not have to be made in

writing (whether or not in fact made in writing) as provided for in section 1(2) and (7) of the Requirements of Writing (Scotland) Act 1995[6]; and

(c) if the land is situated in Northern Ireland, are references to any agreement which is not one to which section II of the Statute of Frauds, (Ireland) 1695[7] applies.

(3) Paragraph (2) shall not be taken to mean that a rental agreement in respect of land situated outside the United Kingdom is not capable of being a distance contract to which these Regulations apply.

#### **Contracts to which only part of these Regulations apply**

6. - (1) Regulations 7 to 20 shall not apply to a contract which is a "timeshare agreement" within the meaning of the Timeshare Act 1992[8] and to which that Act applies.

(2) Regulations 7 to 19(1) shall not apply to -

(a) contracts for the supply of food, beverages or other goods intended for everyday consumption supplied to the consumer's residence or to his workplace by regular roundsmen; or

(b) contracts for the provision of accommodation, transport, catering or leisure services, where the supplier undertakes, when the contract is concluded, to provide these services on a specific date or within a specific period.

(3) Regulations 19(2) to (8) and 20 do not apply to a contract for a "package" within the meaning of the Package Travel, Package Holidays and Package Tours Regulations 1992[9] which is sold or offered for sale in the territory of the Member States.

#### **Information required prior to the conclusion of the contract**

7. - (1) Subject to paragraph (4), in good time prior to the conclusion of the contract the supplier shall -

(a) provide to the consumer the following information -

(i) the identity of the supplier and, where the contract requires payment in advance, the supplier's address;

(ii) a description of the main characteristics of the goods or services;

(iii) the price of the goods or services including all taxes;

(iv) delivery costs where appropriate;

(v) the arrangements for payment, delivery or performance;

(vi) the existence of a right of cancellation except in the cases referred to in regulation 13;

(vii) the cost of using the means of distance communication where it is calculated other than at the basic rate;

(viii) the period for which the offer or the price remains valid; and

(ix) where appropriate, the minimum duration of the contract, in the case of contracts for the supply of goods or services to be performed permanently or recurrently;

(b) inform the consumer if he proposes, in the event of the goods or services ordered by the consumer being unavailable, to provide substitute goods or services (as the case may be) of equivalent quality and price; and

(c) inform the consumer that the cost of returning any such substitute goods to the supplier in the event of cancellation by the consumer would be met by the supplier.

(2) The supplier shall ensure that the information required by paragraph (1) is provided in a clear and comprehensible manner appropriate to the means of distance communication used, with due regard in particular to the principles of good faith in commercial transactions and the principles governing the protection of those who are unable to give their consent such as minors.

(3) Subject to paragraph (4), the supplier shall ensure that his commercial purpose is made clear when providing the information required by paragraph (1).

(4) In the case of a telephone communication, the identity of the supplier and the commercial purpose of the call shall be made clear at the beginning of the conversation with the consumer.

### Written and additional information

8. - (1) Subject to regulation 9, the supplier shall provide to the consumer in writing, or in another durable medium which is available and accessible to the consumer, the information referred to in paragraph (2), either -

(a) prior to the conclusion of the contract, or

(b) thereafter, in good time and in any event -

(i) during the performance of the contract, in the case of services; and

(ii) at the latest at the time of delivery where goods not for delivery to third parties are concerned.

(2) The information required to be provided by paragraph (1) is -

(a) the information set out in paragraphs (i) to (vi) of Regulation 7(1)(a);

(b) information about the conditions and procedures for exercising the right to cancel under regulation 10, including -

(i) where a term of the contract requires (or the supplier intends that it will require) that the consumer shall return the goods to the supplier in the event of cancellation, notification of that requirement; and

(ii) information as to whether the consumer or the supplier would be responsible under these Regulations for the cost of returning any goods to the supplier, or the cost of his recovering them, if the consumer cancels the contract under regulation 10;

(c) the geographical address of the place of business of the supplier to which the consumer may address any complaints;

(d) information about any after-sales services and guarantees; and

(e) the conditions for exercising any contractual right to cancel the contract, where the contract is of an unspecified duration or a duration exceeding one year.

(3) Subject to regulation 9, prior to the conclusion of a contract for the supply of services, the supplier shall inform the consumer in writing or in another durable medium which is available and accessible to the consumer that, unless the parties agree otherwise, he will not be able to cancel the contract under regulation 10 once the performance of the services has begun with his agreement.

#### **Services performed through the use of a means of distance communication**

9. - (1) Regulation 8 shall not apply to a contract for the supply of services which are performed through the use of a means of distance communication, where those services are supplied on only one occasion and are invoiced by the operator of the means of distance communication.

(2) But the supplier shall take all necessary steps to ensure that a consumer who is a party to a contract to which paragraph (1) applies is able to obtain the supplier's geographical address and the place of business to which the consumer may address any complaints.

#### **Right to cancel**

10. - (1) Subject to regulation 13, if within the cancellation period set out in regulations 11 and 12, the consumer gives a notice of cancellation to the supplier, or any other person previously notified by the supplier to the consumer as a person to whom notice of cancellation may be given, the notice of cancellation shall operate to cancel the contract.

(2) Except as otherwise provided by these Regulations, the effect of a notice of cancellation is that the contract shall be treated as if it had not been made.

(3) For the purposes of these Regulations, a notice of cancellation is a notice in writing or in another durable medium available and accessible to the supplier (or to the other person to whom it is given) which, however expressed, indicates the intention of the consumer to cancel the contract.

(4) A notice of cancellation given under this regulation by a consumer to a supplier or other person is to be treated as having been properly given if the consumer -

(a) leaves it at the address last known to the consumer and addressed to the supplier or other person by name (in which case it is to be taken to have been given on the day on

which it was left);

(b) sends it by post to the address last known to the consumer and addressed to the supplier or other person by name (in which case, it is to be taken to have been given on the day on which it was posted);

(c) sends it by facsimile to the business facsimile number last known to the consumer (in which case it is to be taken to have been given on the day on which it is sent); or

(d) sends it by electronic mail, to the business electronic mail address last known to the consumer (in which case it is to be taken to have been given on the day on which it is sent).

(5) Where a consumer gives a notice in accordance with paragraph (4)(a) or (b) to a supplier who is a body corporate or a partnership, the notice is to be treated as having been properly given if -

(a) in the case of a body corporate, it is left at the address of, or sent to, the secretary or clerk of that body; or

(b) in the case of a partnership, it is left with or sent to a partner or a person having control or management of the partnership business.

#### **Cancellation period in the case of contracts for the supply of goods**

11. - (1) For the purposes of regulation 10, the cancellation period in the case of contracts for the supply of goods begins with the day on which the contract is concluded and ends as provided in paragraphs (2) to (5).

(2) Where the supplier complies with regulation 8, the cancellation period ends on the expiry of the period of seven working days beginning with the day after the day on which the consumer receives the goods.

(3) Where a supplier who has not complied with regulation 8 provides to the consumer the information referred to in regulation 8(2), and does so in writing or in another durable medium available and accessible to the consumer, within the period of three months beginning with the day after the day on which the consumer receives the goods, the cancellation period ends on the expiry of the period of seven working days beginning with the day after the day on which the consumer receives the information.

(4) Where neither paragraph (2) nor (3) applies, the cancellation period ends on the expiry of the period of three months and seven working days beginning with the day after the day on which the consumer receives the goods.

(5) In the case of contracts for goods for delivery to third parties, paragraphs (2) to (4) shall apply as if the consumer had received the goods on the day on which they were received by the third party.

### **Cancellation period in the case of contracts for the supply of services**

**12.** - (1) For the purposes of regulation 10, the cancellation period in the case of contracts for the supply of services begins with the day on which the contract is concluded and ends as provided in paragraphs (2) to (4).

(2) Where the supplier complies with regulation 8 on or before the day on which the contract is concluded, the cancellation period ends on the expiry of the period of seven working days beginning with the day after the day on which the contract is concluded.

(3) Where a supplier who has not complied with regulation 8 on or before the day on which the contract is concluded provides to the consumer the information referred to in regulation 8(2) and (3), and does so in writing or in another durable medium available and accessible to the consumer, within the period of three months beginning with the day after the day on which the contract is concluded, the cancellation period ends on the expiry of the period of seven working days beginning with the day after the day on which the consumer receives the information.

(4) Where neither paragraph (2) nor (3) applies, the cancellation period ends on the expiry of the period of three months and seven working days beginning with the day after the day on which the contract is concluded.

### **Exceptions to the right to cancel**

**13.** - (1) Unless the parties have agreed otherwise, the consumer will not have the right to cancel the contract by giving notice of cancellation pursuant to regulation 10 in respect of contracts -

(a) for the supply of services if the supplier has complied with regulation 8(3) and performance of the contract has begun with the consumer's agreement before the end of the cancellation period applicable under regulation 12;

(b) for the supply of goods or services the price of which is dependent on fluctuations in the financial market which cannot be controlled by the supplier;

(c) for the supply of goods made to the consumer's specifications or clearly personalised or which by reason of their nature cannot be returned or are liable to deteriorate or expire rapidly;

(d) for the supply of audio or video recordings or computer software if they are unsealed by the consumer;

(e) for the supply of newspapers, periodicals or magazines;  
or

(f) for gaming, betting or lottery services.

**Recovery of sums paid by or on behalf of the consumer on cancellation, and return of security**

14. - (1) On the cancellation of a contract under regulation 10, the supplier shall reimburse any sum paid by or on behalf of the consumer under or in relation to the contract to the person by whom it was made free of any charge, less any charge made in accordance with paragraph (5).

(2) The reference in paragraph (1) to any sum paid on behalf of the consumer includes any sum paid by a creditor who is not the same person as the supplier under a personal credit agreement with the consumer.

(3) The supplier shall make the reimbursement referred to in paragraph (1) as soon as possible and in any case within a period not exceeding 30 days beginning with the day on which the notice of cancellation was given.

(4) Where any security has been provided in relation to the contract, the security (so far as it is so provided) shall, on cancellation under regulation 10, be treated as never having had effect and any property lodged with the supplier solely for the purposes of the security as so provided shall be returned by him forthwith.

(5) Subject to paragraphs (6) and (7), the supplier may make a charge, not exceeding the direct costs of recovering any goods supplied under the contract, where a term of the contract provides that the consumer must return any goods supplied if he cancels the

contract under regulation 10 but the consumer does not comply with this provision or returns the goods at the expense of the supplier.

(6) Paragraph (5) shall not apply where -

(a) the consumer cancels in circumstances where he has the right to reject the goods under a term of the contract, including a term implied by virtue of any enactment, or

(b) the term requiring the consumer to return any goods supplied if he cancels the contract is an "unfair term" within the meaning of the Unfair Terms in Consumer Contracts Regulations 1999[10].

(7) Paragraph (5) shall not apply to the cost of recovering any goods which were supplied as substitutes for the goods ordered by the consumer.

(8) For the purposes of these Regulations, a personal credit agreement is an agreement between the consumer and any other person ("the creditor") by which the creditor provides the consumer with credit of any amount.

#### **Automatic cancellation of a related credit agreement**

15. - (1) Where a notice of cancellation is given under regulation 10 which has the effect of cancelling the contract, the giving of the notice shall also have the effect of cancelling any related credit agreement.

(2) Where a related credit agreement is cancelled by virtue of paragraph (1), the supplier shall, if he is not the same person as the creditor under that agreement, forthwith on receipt of the notice of cancellation inform the creditor that the notice has been given.

(3) Where a related credit agreement is cancelled by virtue of paragraph (1) -

(a) any sum paid by or on behalf of the consumer under, or in relation to, the credit agreement which the supplier is not obliged to reimburse under regulation 14(1) shall be reimbursed, except for any sum which, if it had not already been paid, would have to be paid under subparagraph (b);

(b) the agreement shall continue in force so far as it relates to repayment of the credit and payment of interest, subject to regulation 16; and

(c) subject to subparagraph (b), the agreement shall cease to be enforceable.

(4) Where any security has been provided under a related credit agreement, the security, so far as it is so provided, shall be treated as never having had effect and any property lodged with the creditor solely for the purposes of the security as so provided shall be returned by him forthwith.

(5) For the purposes of this regulation and regulation 16, a "related credit agreement" means an agreement under which fixed sum credit which fully or partly covers the price under a contract cancelled under regulation 10 is granted -

(a) by the supplier, or

(b) by another person, under an arrangement between that person and the supplier.

(6) For the purposes of this regulation and regulation 16 -

(a) "creditor" is a person who grants credit under a related credit agreement;

(b) "fixed sum credit" has the same meaning as in section 10 of the Consumer Credit Act 1974<sup>[11]</sup>;

(c) "repayment" in relation to credit means repayment of money received by the consumer, and cognate expressions shall be construed accordingly; and

(d) "interest" means interest on money so received.

#### **Repayment of credit and interest after cancellation of a related credit agreement**

**16.** - (1) This regulation applies following the cancellation of a related credit agreement by virtue of regulation 15(1).

(2) If the consumer repays the whole or a portion of the credit -

(a) before the expiry of one month following the cancellation of the credit agreement, or

(b) in the case of a credit repayable by instalments, before the date on which the first instalment is due,

no interest shall be payable on the amount repaid.

(3) If the whole of a credit repayable by instalments is not repaid on or before the date referred to in paragraph (2)(b), the consumer shall not be liable to repay any of the credit except on receipt of a request in writing, signed by the creditor, stating the amounts of the remaining instalments (recalculated by the creditor as nearly as may be in accordance with the agreement and without extending the repayment period), but excluding any sum other than principal and interest.

(4) Where any security has been provided under a related credit agreement the duty imposed on the consumer to repay credit and to pay interest shall not be enforceable before the creditor has discharged any duty imposed on him by regulation 15(4) to return any property lodged with him as security on cancellation.

#### **Restoration of goods by consumer after cancellation**

17. - (1) This regulation applies where a contract is cancelled under regulation 10 after the consumer has acquired possession of any goods under the contract other than any goods mentioned in regulation 13(1)(b) to (e).

(2) The consumer shall be treated as having been under a duty throughout the period prior to cancellation -

- (a) to retain possession of the goods, and
- (b) to take reasonable care of them.

(3) On cancellation, the consumer shall be under a duty to restore the goods to the supplier in accordance with this regulation, and in the meanwhile to retain possession of the goods and take reasonable care of them.

(4) The consumer shall not be under any duty to deliver the goods except at his own premises and in pursuance of a request in writing, or in another durable medium available and accessible to the consumer, from the supplier and given to the consumer either before, or at the time when, the goods are collected from those premises.

(5) If the consumer -

- (a) delivers the goods (whether at his own premises or elsewhere) to any person to whom, under regulation 10(1), a notice of cancellation could have been given; or

(b) sends the goods at his own expense to such a person, he shall be discharged from any duty to retain possession of the goods or restore them to the supplier.

(6) Where the consumer delivers the goods in accordance with paragraph (5)(a), his obligation to take care of the goods shall cease; and if he sends the goods in accordance with paragraph (5)(b), he shall be under a duty to take reasonable care to see that they are received by the supplier and not damaged in transit, but in other respects his duty to take care of the goods shall cease when he sends them.

(7) Where, at any time during the period of 21 days beginning with the day notice of cancellation was given, the consumer receives such a request as is mentioned in paragraph (4), and unreasonably refuses or unreasonably fails to comply with it, his duty to retain possession and take reasonable care of the goods shall continue until he delivers or sends the goods as mentioned in paragraph (5), but if within that period he does not receive such a request his duty to take reasonable care of the goods shall cease at the end of that period.

(8) Where -

(a) a term of the contract provides that if the consumer cancels the contract, he must return the goods to the supplier, and

(b) the consumer is not otherwise entitled to reject the goods under the terms of the contract or by virtue of any enactment,

paragraph (7) shall apply as if for the period of 21 days there were substituted the period of 6 months.

(9) Where any security has been provided in relation to the cancelled contract, the duty to restore goods imposed on the consumer by this regulation shall not be enforceable before the supplier has discharged any duty imposed on him by regulation 14(4) to return any property lodged with him as security on cancellation.

(10) Breach of a duty imposed by this regulation on a consumer is actionable as a breach of statutory duty.

### **Goods given in part-exchange**

18. - (1) This regulation applies on the cancellation of a contract under regulation 10 where the supplier agreed to take goods in part-exchange (the "part-exchange goods") and those goods have been delivered to him.

(2) Unless, before the end of the period of 10 days beginning with the date of cancellation, the part-exchange goods are returned to the consumer in a condition substantially as good as when they were delivered to the supplier, the consumer shall be entitled to recover from the supplier a sum equal to the part-exchange allowance.

(3) In this regulation the part-exchange allowance means the sum agreed as such in the cancelled contract, or if no such sum was agreed, such sum as it would have been reasonable to allow in respect of the part-exchange goods if no notice of cancellation had been served.

(4) Where the consumer recovers from the supplier a sum equal to the part-exchange allowance, the title of the consumer to the part-exchange goods shall vest in the supplier (if it has not already done so) on recovery of that sum.

### **Performance**

19. - (1) Unless the parties agree otherwise, the supplier shall perform the contract within a maximum of 30 days beginning with the day after the day the consumer sent his order to the supplier.

(2) Subject to paragraphs (7) and (8), where the supplier is unable to perform the contract because the goods or services ordered are not available, within the period for performance referred to in paragraph (1) or such other period as the parties agree ("the period for performance"), he shall -

(a) inform the consumer; and

(b) reimburse any sum paid by or on behalf of the consumer under or in relation to the contract to the person by whom it was made.

(3) The reference in paragraph (2)(b) to any sum paid on behalf of the consumer includes any sum paid by a creditor who is not the same person as the supplier under a personal credit agreement with the consumer.

(4) The supplier shall make the reimbursement referred to in

paragraph (2)(b) as soon as possible and in any event within a period of 30 days beginning with the day after the day on which the period for performance expired.

(5) A contract which has not been performed within the period for performance shall be treated as if it had not been made, save for any rights or remedies which the consumer has under it as a result of the non-performance.

(6) Where any security has been provided in relation to the contract, the security (so far as it is so provided) shall, where the supplier is unable to perform the contract within the period for performance, be treated as never having had any effect and any property lodged with the supplier solely for the purposes of the security as so provided shall be returned by him forthwith.

(7) Where the supplier is unable to supply the goods or services ordered by the consumer, the supplier may perform the contract for the purposes of these Regulations by providing substitute goods or services (as the case may be) of equivalent quality and price provided that -

(a) this possibility was provided for in the contract;

(b) prior to the conclusion of the contract the supplier gave the consumer the information required by regulation 7(1)(b) and (c) in the manner required by regulation 7(2).

(8) In the case of outdoor leisure events which by their nature cannot be rescheduled, paragraph 2(b) shall not apply where the consumer and the supplier so agree.

#### **Effect of non-performance on related credit agreement**

20. Where a supplier is unable to perform the contract within the period for performance -

(a) regulations 15 and 16 shall apply to any related credit agreement as if the consumer had given a valid notice of cancellation under regulation 10 on the expiry of the period for performance; and

(b) the reference in regulation 15(3)(a) to regulation 14(1) shall be read, for the purposes of this regulation, as a reference to regulation 19(2).

#### **Payment by card**

21. - (1) Subject to paragraph (4), the consumer shall be

entitled to cancel a payment where fraudulent use has been made of his payment card in connection with a contract to which this regulation applies by another person not acting, or to be treated as acting, as his agent.

(2) Subject to paragraph (4), the consumer shall be entitled to be recredited, or to have all sums returned by the card issuer, in the event of fraudulent use of his payment card in connection with a contract to which this regulation applies by another person not acting, or to be treated as acting, as the consumer's agent.

(3) Where paragraphs (1) and (2) apply, in any proceedings if the consumer alleges that any use made of the payment card was not authorised by him it is for the card issuer to prove that the use was so authorised.

(4) Paragraphs (1) and (2) shall not apply to an agreement to which section 83(1) of the Consumer Credit Act 1974 applies.

(5) Section 84 of the Consumer Credit Act 1974 (misuse of credit-tokens) is amended by the insertion after subsection (3) of -

" (3A) Subsections (1) and (2) shall not apply to any use, in connection with a distance contract (other than an excepted contract), of a card which is a credit-token.

(3B) In subsection (3A), "distance contract" and "excepted contract" have the meanings given in the Consumer Protection (Distance Selling) Regulations 2000."

(6) For the purposes of this regulation -

"card issuer" means the owner of the card; and  
"payment card" includes credit cards, charge cards, debit cards and store cards.

#### **Amendments to the Unsolicited Goods and Services Act 1971**

22. - (1) The Unsolicited Goods and Services Act 1971<sup>[12]</sup> is amended as follows.

(2) Omit section 1 (rights of recipient of unsolicited goods).

(3) In subsection (1) of section 2 (demands and threats regarding payment), after "them" insert "for the purposes of his trade or business".

(4) The amendments made by this regulation apply only in relation to goods sent after the date on which it comes into force.

## **Amendments to the Unsolicited Goods and Services (Northern Ireland) Order 1976**

23. - (1) The Unsolicited Goods and Services (Northern Ireland) Order 1976<sup>[13]</sup> is amended as follows.

(2) Omit Article 3 (rights of recipient of unsolicited goods).

(3) In paragraph (1) of Article 4 (demands and threats regarding payment), after "them" insert "for the purposes of his trade or business".

(4) The amendments made by this regulation apply only in relation to goods sent after the date on which it comes into force.

### **Inertia Selling**

24. - (1) Paragraphs (2) and (3) apply if -

(a) unsolicited goods are sent to a person ("the recipient") with a view to his acquiring them;

(b) the recipient has no reasonable cause to believe that they were sent with a view to their being acquired for the purposes of a business; and

(c) the recipient has neither agreed to acquire nor agreed to return them.

(2) The recipient may, as between himself and the sender, use, deal with or dispose of the goods as if they were an unconditional gift to him.

(3) The rights of the sender to the goods are extinguished.

(4) A person who, not having reasonable cause to believe there is a right to payment, in the course of any business makes a demand for payment, or asserts a present or prospective right to payment, for what he knows are -

(a) unsolicited goods sent to another person with a view to his acquiring them for purposes other than those of his business, or

(b) unsolicited services supplied to another person for purposes other than those of his business,

is guilty of an offence and liable, on summary conviction, to a fine

not exceeding level 4 on the standard scale.

(5) A person who, not having reasonable cause to believe there is a right to payment, in the course of any business and with a view to obtaining payment for what he knows are unsolicited goods sent or services supplied as mentioned in paragraph (4) -

(a) threatens to bring any legal proceedings, or

(b) places or causes to be placed the name of any person on a list of defaulters or debtors or threatens to do so, or

(c) invokes or causes to be invoked any other collection procedure or threatens to do so,

is guilty of an offence and liable, on summary conviction, to a fine not exceeding level 5 on the standard scale.

(6) In this regulation -

"acquire" includes hire;

"send" includes deliver;

"sender", in relation to any goods, includes -

(a) any person on whose behalf or with whose consent the goods are sent;

(b) any other person claiming through or under the sender or any person mentioned in paragraph (a); and

(c) any person who delivers the goods; and

"unsolicited" means, in relation to goods sent or services supplied to any person, that they are sent or supplied without any prior request made by or on behalf of the recipient.

(7) For the purposes of this regulation, an invoice or similar document which -

(a) states the amount of a payment, and

(b) fails to comply with the requirements of regulations made under section 3A of the Unsolicited Goods and Services Act 1971 or, as the case may be, Article 6 of the Unsolicited Goods and Services (Northern Ireland) Order 1976 applicable to it,

is to be regarded as asserting a right to the payment.

(8) Section 3A of the Unsolicited Goods and Services Act 1971 applies for the purposes of this regulation in its application to England, Wales and Scotland as it applies for the purposes of that Act.

(9) Article 6 of the Unsolicited Goods and Services (Northern Ireland) Order 1976 applies for the purposes of this regulation in its application to Northern Ireland as it applies for the purposes of that Order.

(10) This regulation applies only to goods sent and services supplied after the date on which it comes into force.

### **No contracting-out**

25. - (1) A term contained in any contract to which these Regulations apply is void if, and to the extent that, it is inconsistent with a provision for the protection of the consumer contained in these Regulations.

(2) Where a provision of these Regulations specifies a duty or liability of the consumer in certain circumstances, a term contained in a contract to which these Regulations apply, other than a term to which paragraph (3) applies, is inconsistent with that provision if it purports to impose, directly or indirectly, an additional duty or liability on him in those circumstances.

(3) This paragraph applies to a term which requires the consumer to return any goods supplied to him under the contract if he cancels it under regulation 10.

(4) A term to which paragraph (3) applies shall, in the event of cancellation by the consumer under regulation 10, have effect only for the purposes of regulation 14(5) and 17(8).

(5) These Regulations shall apply notwithstanding any contract term which applies or purports to apply the law of a non-Member State if the contract has a close connection with the territory of a Member State.

### **Consideration of complaints**

26. - (1) It shall be the duty of an enforcement authority to consider any complaint made to it about a breach unless -

(a) the complaint appears to the authority to be frivolous or vexatious; or

(b) another enforcement authority has notified the Director that it agrees to consider the complaint.

(2) If an enforcement authority notifies the Director that it agrees to consider a complaint made to another enforcement authority, the first mentioned authority shall be under a duty to consider the complaint.

(3) An enforcement authority which is under a duty to consider a complaint shall give reasons for its decision to apply or not to apply, as the case may be, for an injunction under regulation 27.

(4) In deciding whether or not to apply for an injunction in respect of a breach an enforcement authority may, if it considers it appropriate to do so, have regard to any undertaking given to it or another enforcement authority by or on behalf of any person as to compliance with these Regulations.

#### **Injunctions to secure compliance with these Regulations**

27. - (1) The Director or, subject to paragraph (2), any other enforcement authority may apply for an injunction (including an interim injunction) against any person who appears to the Director or that authority to be responsible for a breach.

(2) An enforcement authority other than the Director may apply for an injunction only where -

(a) it has notified the Director of its intention to apply at least fourteen days before the date on which the application is to be made, beginning with the date on which the notification was given; or

(b) the Director consents to the application being made within a shorter period.

(3) The court on an application under this regulation may grant an injunction on such terms as it thinks fit to secure compliance with these Regulations.

#### **Notification of undertakings and orders to the Director**

28. An enforcement authority other than the Director shall notify the Director -

(a) of any undertaking given to it by or on behalf of any person who appears to it to be responsible for a breach;

(b) of the outcome of any application made by it under

regulation 27 and of the terms of any undertaking given to or order made by the court;

(c) of the outcome of any application made by it to enforce a previous order of the court.

**Publication, information and advice**

29. - (1) The Director shall arrange for the publication in such form and manner as he considers appropriate of -

(a) details of any undertaking or order notified to him under regulation 28;

(b) details of any undertaking given to him by or on behalf of any person as to compliance with these Regulations;

(c) details of any application made by him under regulation 27, and of the terms of any undertaking given to, or order made by, the court;

(d) details of any application made by the Director to enforce a previous order of the court.

(2) The Director may arrange for the dissemination in such form and manner as he considers appropriate of such information and advice concerning the operation of these Regulations as it may appear to him to be expedient to give to the public and to all persons likely to be affected by these Regulations.

*Helen Liddell*

Minister of State, Department of Trade and Industry

31st August 2000

**SCHEDULE 1**

**Regulation 3**

**Indicative list of means of distance communication**

1. Unaddressed printed matter.
2. Addressed printed matter.

3. Letter.
4. Press advertising with order form.
5. Catalogue.
6. Telephone with human intervention.
7. Telephone without human intervention (automatic calling machine, audiotext).
8. Radio.
9. Videophone (telephone with screen).
10. Videotext (microcomputer and television screen) with keyboard or touch screen.
11. Electronic mail.
12. Facsimile machine (fax).
13. Television (teleshopping).

## SCHEDULE 2

### Regulation 5(1)(c)

#### Non-exhaustive list of financial services

1. Investment services.
2. Insurance and reinsurance operations.
3. Banking services.
4. Services relating to dealings in futures or options.

Such services include in particular:

- investment services referred to in the Annex to Directive 93/22/EEC[[14](#)]; services of collective investment undertakings;

- services covered by the activities subject to mutual recognition referred to in the Annex to Directive 89/846/EEC[[15](#)];
- operations covered by the insurance and reinsurance activities referred to in:
  - Article 1 of Directive 73/239/EEC[[16](#)];
  - the Annex to Directive 79/267/EEC[[17](#)];
  - Directive 64/225/EEC[[18](#)];
  - Directives 92/49/EEC[[19](#)] and 92/96/EEC[[20](#)].

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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations implement Directive 97/7/EC of the European Parliament and the Council of 20 May 1997 (O.J. No. L144, 4.6.97, p.19) on the protection of consumers in relation to distance contracts, with the exception of Article 10.

The Regulations apply to contracts for goods or services to be supplied to a consumer where the contract is made exclusively by means of distance communication, that is any means used without the simultaneous physical presence of the consumer and the supplier (regulations 3 and 4). Schedule 1 contains an indicative list of means of distance communication.

The Regulations do not apply to those distance contracts excluded by regulation 5(1), such as contracts relating to the supply of financial services.

The Regulations have limited application to contracts for the supply of groceries by regular delivery and contracts for the provision of accommodation, transport, catering or leisure services (regulation 6).

The Regulations require the supplier to provide the consumer with the information referred to in regulation 7 prior to the conclusion of the contract. This includes information on the right to cancel the distance contract, the main characteristics of the goods or services, and delivery costs where appropriate.

Regulation 8 requires the supplier to confirm in writing, or another durable medium which is available and accessible to the consumer, information already given and to give some additional information,

including information on the conditions and procedures relating to the exercise of the right to cancel the contract. Regulation 8(3) requires the supplier to inform the consumer prior to conclusion of a contract for services that he will not be able to cancel once performance of the service has begun with his agreement.

Where the Regulations apply, they provide a "cooling off period" to enable the consumer to cancel the contract by giving notice of cancellation to the supplier. The effect of giving notice of cancellation under the Regulations is that the contract is treated as if it had not been made.

Where the supplier supplies the information to the consumer on time, the cooling-off period is 7 working days from the day after the date of the contract, in the case of services, or from the day after the date of delivery of the goods.

Where the supplier fails to comply with the information requirement at all, the cooling-off period is extended by 3 months.

Where the supplier complies with the information requirement later than he should have done but within 3 months the cooling-off begins from the date he provided the information (regulations 10-12).

Certain contracts are excluded from the right to cancel unless the parties agree otherwise, such as a contract for the supply of goods made to the consumer's specifications (regulation 13).

If the consumer cancels, the consumer must be reimbursed within a maximum period of 30 days (regulation 14). Where the consumer cancels the contract, any related credit agreement is automatically cancelled (regulation 15).

Regulation 17 provides that on cancellation of the contract the consumer is under a duty to restore goods to the supplier if he collects them and in the meantime to take reasonable care of them. The Regulations do not require the consumer to return goods but if he is required to under the contract and does not do so, he must pay the cost to the supplier of recovering them.

The Regulations provide that the contract must be performed within 30 days subject to agreement between the parties. However, where the supplier is not able to provide the goods or service ordered, substitutes may be offered if certain conditions are met (regulation 19).

The Regulations provide that where the consumer's payment card is used fraudulently in connection with a distance contract the consumer will be entitled to cancel the payment. If the payment has already been made the consumer will be entitled to a re-credit or to have all sums returned by the card issuer. The Regulations amend the Consumer Credit Act 1974 by removing the potential liability of the debtor under a regulated consumer credit agreement for the first £50 of loss to the creditor from misuse of a credit-token in connection with a distance contract.

The Regulations prohibit the supply of unsolicited goods and services to consumers. Regulation 24 replaces with amendments section 1 of the Unsolicited Goods and Services Act 1971 and Article 3 of the Unsolicited Goods and Services (Northern Ireland) Order 1976. It also creates an offence in similar terms to section 2 of the 1971 Act but extended to the supply of unsolicited services and limited to supply to consumers. The scope of section 2 of the 1971 Act and Article 4 of the 1976 Order (which apply only to goods) is amended to restrict their application to the unsolicited supply of goods to businesses.

The Director General of Fair Trading, Trading Standards Departments in Great Britain and the Department of Enterprise, Trade and Investment in Northern Ireland are enforcement authorities for the purposes of the Regulations. Regulation 26 provides that an enforcement authority must consider complaints about a breach of the requirements of the Regulations. Those bodies are given the power to take proceedings for an injunction against a business to prevent further breaches (regulation 27).

A Regulatory Impact Assessment is available, copies of which have been placed in the libraries of both Houses of Parliament. Copies are also available from the Consumer Affairs Directorate of the Department of Trade and Industry, Room 415, 1 Victoria Street, London SW1H 0ET.

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*Notes:*

[1] S.I. 1993/2661.[back](#)

[2] 1972 c. 68.[back](#)

[3] S.I. 1976/1812.[back](#)

[4] Directive 97/7/EC was added to Annex XIX to the EEA Agreement by Decision No. 15/98 of the EEA joint Committee which came into force on 1 July 2000 (O.J. No L272, 8.10.98,

- p.99).[back](#)
- [5] 1989 c. 34.[back](#)
- [6] 1995 c. 7.[back](#)
- [7] 1695 c. 12(1).[back](#)
- [8] 1992 c. 35.[back](#)
- [9] S.I. 1992/3288.[back](#)
- [10] S.I. 1999/2083.[back](#)
- [11] 1974 c. 39.[back](#)
- [12] 1971 c. 30.[back](#)
- [13] S.I. 1976/57 (N.I.1).[back](#)
- [14] O.J. No. L141, 11.06.1993, p.27.[back](#)
- [15] O.J. No. L386, 30.12.1989, p.1, to which there are amendments not relevant to these Regulations.[back](#)
- [16] O.J. No. L228, 16.08.1973, p.3. Relevant amending instruments are Council Directive 84/641/EEC (O.J. No. L339, 27.12.84, p.21); Council Directive 87/343/EEC (O.J. No. L185, 4.7.87, p.72); Council Directive 87/344/EEC (O.J. No. L185, 4.7.87, p.77); Council Directive 90/618/EEC (O.J. No. L330, 29.11.90, p.44); Council Directive 92/49/EC (O.J. No. L228, 11.8.92, p.1.).[back](#)
- [17] O.J. No. L63, 13.03.1979, p.1, to which there are amendments not relevant to these Regulations.[back](#)
- [18] O.J. No. L56, 04.04.1964, p.878/64 (O.J./S.E. 1st series 1963-64 p.131), to which there are amendments not relevant to these Regulations.[back](#)
- [19] O.J. No. L228, 11.08.1992, p.1.[back](#)
- [20] O.J. No. L360, 09.12.1992, p.1.[back](#)
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ISBN 0 11 099872 3

**Directive 97/7/EC of the European Parliament and of the Council of 20 May 1997 on the protection of consumers in respect of distance contracts**

DIRECTIVE 97/7/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 20 May 1997 on the protection of consumers in respect of distance contracts

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 100a thereof,

Having regard to the proposal from the Commission (1),

Having regard to the opinion of the Economic and Social Committee (2),

Acting in accordance with the procedure laid down in Article 189b of the Treaty (3), in the light of the joint text approved by the Conciliation Committee on 27 November 1996,

(1) Whereas, in connection with the attainment of the aims of the internal market, measures must be taken for the gradual consolidation of that market;

(2) Whereas the free movement of goods and services affects not only the business sector but also private individuals; whereas it means that consumers should be able to have access to the goods and services of another Member State on the same terms as the population of that State;

(3) Whereas, for consumers, cross-border distance selling could be one of the main tangible results of the completion of the internal market, as noted, inter alia, in the communication from the Commission to the Council entitled 'Towards a single market in distribution'; whereas it is essential to the smooth operation of the internal market for consumers to be able to have dealings with a business outside their country, even if it has a subsidiary in the consumer's country of residence;

(4) Whereas the introduction of new technologies is increasing the number of ways for consumers to obtain information about offers anywhere in the Community and to place orders; whereas some Member States have already taken different or diverging measures to protect consumers in respect of distance selling, which has had a detrimental effect on competition between businesses in the internal market; whereas it is therefore necessary to introduce at Community level a minimum set of common rules in this area;

(5) Whereas paragraphs 18 and 19 of the Annex to the Council resolution of 14 April 1975 on a preliminary programme of the European Economic Community for a consumer protection and information policy (4) point to the need to protect the purchasers of goods or services from demands for payment for unsolicited goods and from high-pressure selling methods;

(6) Whereas paragraph 33 of the communication from the Commission to the Council entitled 'A new impetus for consumer protection policy', which was approved by the Council resolution of 23 June 1986 (5), states that the Commission will submit proposals regarding the use of new information technologies enabling consumers to place orders with suppliers from their homes;

(7) Whereas the Council resolution of 9 November 1989 on future priorities for relaunching consumer protection policy (6) calls upon the Commission to give priority to the areas referred to in the Annex to that resolution; whereas that Annex refers to new technologies involving teleshopping; whereas the Commission has responded to that resolution by adopting a three-year action plan for consumer protection policy in the European Economic Community (1990-1992); whereas that plan provides for the adoption of a Directive;

(8) Whereas the languages used for distance contracts are a matter for the Member States;

(9) Whereas contracts negotiated at a distance involve the use of one or more means of distance communication; whereas the various means of communication are used as part of an organized distance sales or service-provision scheme not involving the simultaneous presence of the supplier and the consumer; whereas the constant development of those means of communication does not allow an exhaustive list to be compiled but does require principles to be defined which are valid even for those which are not as yet in widespread use;

(10) Whereas the same transaction comprising successive operations or a series of separate operations over a period of time may give rise to different legal descriptions depending on the law of the Member States; whereas the provisions of this Directive cannot be applied differently according to the law of the Member States, subject to their recourse to Article 14; whereas, to that end, there is therefore reason to consider that there must at least be compliance with the provisions of this Directive at the time of the first of a series of successive operations or the first of a series of separate operations over a period of time which may be considered as forming a whole, whether that operation or series of operations are the subject of a single contract or successive, separate contracts;

(11) Whereas the use of means of distance communication must not lead to a reduction in the information provided to the consumer; whereas the information that is required to be sent to the consumer should therefore be determined, whatever the means of communication used; whereas the information supplied must also comply with the other relevant Community rules, in particular those in Council Directive 84/450/EEC of 10 September 1984 relating to the approximation of the laws, regulations and administrative provisions of the Member States concerning misleading advertising (7); whereas, if exceptions are made to the obligation to provide information, it is up to the consumer, on a discretionary basis, to request certain basic information such as the

identity of the supplier, the main characteristics of the goods or services and their price;

(12) Whereas in the case of communication by telephone it is appropriate that the consumer receive enough information at the beginning of the conversation to decide whether or not to continue;

(13) Whereas information disseminated by certain electronic technologies is often ephemeral in nature insofar as it is not received on a permanent medium; whereas the consumer must therefore receive written notice in good time of the information necessary for proper performance of the contract;

(14) Whereas the consumer is not able actually to see the product or ascertain the nature of the service provided before concluding the contract; whereas provision should be made, unless otherwise specified in this Directive, for a right of withdrawal from the contract; whereas, if this right is to be more than formal, the costs, if any, borne by the consumer when exercising the right of withdrawal must be limited to the direct costs for returning the goods; whereas this right of withdrawal shall be without prejudice to the consumer's rights under national laws, with particular regard to the receipt of damaged products and services or of products and services not corresponding to the description given in the offer of such products or services; whereas it is for the Member States to determine the other conditions and arrangements following exercise of the right of withdrawal;

(15) Whereas it is also necessary to prescribe a time limit for performance of the contract if this is not specified at the time of ordering;

(16) Whereas the promotional technique involving the dispatch of a product or the provision of a service to the consumer in return for payment without a prior request from, or the explicit agreement of, the consumer cannot be permitted, unless a substitute product or service is involved;

(17) Whereas the principles set out in Articles 8 and 10 of the European Convention for the Protection of Human Rights and Fundamental Freedoms of 4 November 1950 apply; whereas the consumer's right to privacy, particularly as regards freedom from certain particularly intrusive means of communication, should be recognized; whereas specific limits on the use of such means should therefore be stipulated; whereas Member States should take appropriate measures to protect effectively those consumers, who do not wish to be contacted through certain means of communication, against such contacts, without prejudice to the particular safeguards available to the consumer under Community legislation concerning the protection of personal data and privacy;

(18) Whereas it is important for the minimum binding rules contained in this Directive to be supplemented where appropriate by voluntary arrangements among the traders concerned, in line with Commission recommendation 92/295/EEC of 7 April 1992 on codes of practice for the protection of consumers in respect of contracts negotiated at a distance (8);

(19) Whereas in the interest of optimum consumer protection it is important for consumers to be satisfactorily informed of the provisions of this Directive and of codes of practice that may exist in this field;

(20) Whereas non-compliance with this Directive may harm not only consumers but also competitors; whereas provisions may therefore be laid down enabling public bodies or their representatives, or consumer organizations which, under national legislation, have a legitimate interest in consumer protection, or professional organizations which have a legitimate interest in taking action, to monitor the application thereof;

(21) Whereas it is important, with a view to consumer protection, to address the question of cross-border complaints as soon as this is feasible; whereas the Commission published on 14 February 1996 a plan of action on consumer access to justice and the settlement of consumer disputes in the internal market; whereas that plan of action includes specific initiatives to promote out-of-court procedures; whereas objective criteria (Annex II) are suggested to ensure the reliability of those procedures and provision is made for the use of standardized claims forms (Annex III);

(22) Whereas in the use of new technologies the consumer is not in control of the means of communication used; whereas it is therefore necessary to provide that the burden of proof may be on the supplier;

(23) Whereas there is a risk that, in certain cases, the consumer may be deprived of protection under this Directive through the designation of the law of a non-member country as the law applicable to the contract; whereas provisions should therefore be included in this Directive to avert that risk;

(24) Whereas a Member State may ban, in the general interest, the marketing on its territory of certain goods and services through distance contracts; whereas that ban must comply with Community rules; whereas there is already provision for such bans, notably with regard to medicinal products, under Council Directive 89/552/EEC of 3 October 1989 on the coordination of certain provisions laid down by law, regulation or administrative action in Member States concerning the pursuit of television broadcasting activities (9) and Council Directive 92/28/EEC of 31 March 1992 on the advertising of medicinal products for human use (10),

HAVE ADOPTED THIS DIRECTIVE:

## Article 1

### Object

The object of this Directive is to approximate the laws, regulations and administrative provisions of the Member States concerning distance contracts between consumers and suppliers.

## Article 2

### Definitions

For the purposes of this Directive:

- (1) 'distance contract` means any contract concerning goods or services concluded between a supplier and a consumer under an organized distance sales or service-provision scheme run by the supplier, who, for the purpose of the contract, makes exclusive use of one or more means of distance communication up to and including the moment at which the contract is concluded;
- (2) 'consumer` means any natural person who, in contracts covered by this Directive, is acting for purposes which are outside his trade, business or profession;
- (3) 'supplier` means any natural or legal person who, in contracts covered by this Directive, is acting in his commercial or professional capacity;
- (4) 'means of distance communication` means any means which, without the simultaneous physical presence of the supplier and the consumer, may be used for the conclusion of a contract between those parties. An indicative list of the means covered by this Directive is contained in Annex I;
- (5) 'operator of a means of communication` means any public or private natural or legal person whose trade, business or profession involves making one or more means of distance communication available to suppliers.

## Article 3

### Exemptions

1. This Directive shall not apply to contracts:

- relating to financial services, a non-exhaustive list of which is given in Annex II,
- concluded by means of automatic vending machines or automated commercial premises,
- concluded with telecommunications operators through the use of public payphones,
- concluded for the construction and sale of immovable property or relating to other immovable property rights, except for rental,
- concluded at an auction.

2. Articles 4, 5, 6 and 7 (1) shall not apply:

- to contracts for the supply of foodstuffs, beverages or other goods intended for everyday consumption supplied to the home of the consumer, to his residence or to his workplace by regular roundsmen,
- to contracts for the provision of accommodation, transport, catering or leisure services, where the supplier undertakes, when the contract is concluded, to provide these services on a specific date or within a

specific period; exceptionally, in the case of outdoor leisure events, the supplier can reserve the right not to apply Article 7 (2) in specific circumstances.

## Article 4

### Prior information

1. In good time prior to the conclusion of any distance contract, the consumer shall be provided with the following information:
  - (a) the identity of the supplier and, in the case of contracts requiring payment in advance, his address;
  - (b) the main characteristics of the goods or services;
  - (c) the price of the goods or services including all taxes;
  - (d) delivery costs, where appropriate;
  - (e) the arrangements for payment, delivery or performance;
  - (f) the existence of a right of withdrawal, except in the cases referred to in Article 6 (3);
  - (g) the cost of using the means of distance communication, where it is calculated other than at the basic rate;
  - (h) the period for which the offer or the price remains valid;
  - (i) where appropriate, the minimum duration of the contract in the case of contracts for the supply of products or services to be performed permanently or recurrently.
2. The information referred to in paragraph 1, the commercial purpose of which must be made clear, shall be provided in a clear and comprehensible manner in any way appropriate to the means of distance communication used, with due regard, in particular, to the principles of good faith in commercial transactions, and the principles governing the protection of those who are unable, pursuant to the legislation of the Member States, to give their consent, such as minors.
3. Moreover, in the case of telephone communications, the identity of the supplier and the commercial purpose of the call shall be made explicitly clear at the beginning of any conversation with the consumer.

## Article 5

### Written confirmation of information

1. The consumer must receive written confirmation or confirmation in another durable medium available and accessible to him of the information referred to in Article 4 (1) (a) to (f), in good time during the performance of the contract, and at the latest at the time of delivery where goods not for delivery to third parties are concerned, unless the information has already been given to the consumer prior to conclusion of the contract in writing or on another durable medium available and accessible to him.

In any event the following must be provided:

- written information on the conditions and procedures for exercising the

right of withdrawal, within the meaning of Article 6, including the cases referred to in the first indent of Article 6 (3),

- the geographical address of the place of business of the supplier to which the consumer may address any complaints,
- information on after-sales services and guarantees which exist,
- the conclusion for cancelling the contract, where it is of unspecified duration or a duration exceeding one year.

2. Paragraph 1 shall not apply to services which are performed through the use of a means of distance communication, where they are supplied on only one occasion and are invoiced by the operator of the means of distance communication. Nevertheless, the consumer must in all cases be able to obtain the geographical address of the place of business of the supplier to which he may address any complaints.

## Article 6

### Right of withdrawal

1. For any distance contract the consumer shall have a period of at least seven working days in which to withdraw from the contract without penalty and without giving any reason. The only charge that may be made to the consumer because of the exercise of his right of withdrawal is the direct cost of returning the goods.

The period for exercise of this right shall begin:

- in the case of goods, from the day of receipt by the consumer where the obligations laid down in Article 5 have been fulfilled,
- in the case of services, from the day of conclusion of the contract or from the day on which the obligations laid down in Article 5 were fulfilled if they are fulfilled after conclusion of the contract, provided that this period does not exceed the three-month period referred to in the following subparagraph.

If the supplier has failed to fulfil the obligations laid down in Article 5, the period shall be three months. The period shall begin:

- in the case of goods, from the day of receipt by the consumer,
- in the case of services, from the day of conclusion of the contract.

If the information referred to in Article 5 is supplied within this three-month period, the seven working day period referred to in the first subparagraph shall begin as from that moment.

2. Where the right of withdrawal has been exercised by the consumer pursuant to this Article, the supplier shall be obliged to reimburse the sums paid by the consumer free of charge. The only charge that may be made to the consumer because of the exercise of his right of withdrawal is the direct cost of returning the goods. Such reimbursement must be carried out as soon as possible and in any case within 30 days.

3. Unless the parties have agreed otherwise, the consumer may not exercise the right of withdrawal provided for in paragraph 1 in respect of contracts:

- for the provision of services if performance has begun, with the

consumer's agreement, before the end of the seven working day period referred to in paragraph 1,

- for the supply of goods or services the price of which is dependent on fluctuations in the financial market which cannot be controlled by the supplier,
- for the supply of goods made to the consumer's specifications or clearly personalized or which, by reason of their nature, cannot be returned or are liable to deteriorate or expire rapidly,
- for the supply of audio or video recordings or computer software which were unsealed by the consumer,
- for the supply of newspapers, periodicals and magazines,
- for gaming and lottery services.

4. The Member States shall make provision in their legislation to ensure that:

- if the price of goods or services is fully or partly covered by credit granted by the supplier, or
- if that price is fully or partly covered by credit granted to the consumer by a third party on the basis of an agreement between the third party and the supplier,

the credit agreement shall be cancelled, without any penalty, if the consumer exercises his right to withdraw from the contract in accordance with paragraph 1.

Member States shall determine the detailed rules for cancellation of the credit agreement.

## Article 7

### Performance

1. Unless the parties have agreed otherwise, the supplier must execute the order within a maximum of 30 days from the day following that on which the consumer forwarded his order to the supplier.

2. Where a supplier fails to perform his side of the contract on the grounds that the goods or services ordered are unavailable, the consumer must be informed of this situation and must be able to obtain a refund of any sums he has paid as soon as possible and in any case within 30 days.

3. Nevertheless, Member States may lay down that the supplier may provide the consumer with goods or services of equivalent quality and price provided that this possibility was provided for prior to the conclusion of the contract or in the contract. The consumer shall be informed of this possibility in a clear and comprehensible manner. The cost of returning the goods following exercise of the right of withdrawal shall, in this case, be borne by the supplier, and the consumer must be informed of this. In such cases the supply of goods or services may not be deemed to constitute inertia selling within the meaning of Article 9.

## Article 8

### Payment by card

Member States shall ensure that appropriate measures exist to allow a consumer:

- to request cancellation of a payment where fraudulent use has been made of his payment card in connection with distance contracts covered by this Directive,
- in the event of fraudulent use, to be recredited with the sums paid or have them returned.

## Article 9

### Inertia selling

Member States shall take the measures necessary to:

- prohibit the supply of goods or services to a consumer without their being ordered by the consumer beforehand, where such supply involves a demand for payment,
- exempt the consumer from the provision of any consideration in cases of unsolicited supply, the absence of a response not constituting consent.

## Article 10

### Restrictions on the use of certain means of distance communication

1. Use by a supplier of the following means requires the prior consent of the consumer:

- automated calling system without human intervention (automatic calling machine),
- facsimile machine (fax).

2. Member States shall ensure that means of distance communication, other than those referred to in paragraph 1, which allow individual communications may be used only where there is no clear objection from the consumer.

## Article 11

### Judicial or administrative redress

1. Member States shall ensure that adequate and effective means exist to ensure compliance with this Directive in the interests of consumers.

2. The means referred to in paragraph 1 shall include provisions whereby one or more of the following bodies, as determined by national law, may take action under national law before the courts or before the competent administrative bodies to ensure that the national provisions for the implementation of this Directive are applied:

- (a) public bodies or their representatives;

- (b) consumer organizations having a legitimate interest in protecting consumers;
  - (c) professional organizations having a legitimate interest in acting.
3. (a) Member States may stipulate that the burden of proof concerning the existence of prior information, written confirmation, compliance with time-limits or consumer consent can be placed on the supplier.
- (b) Member States shall take the measures needed to ensure that suppliers and operators of means of communication, where they are able to do so, cease practices which do not comply with measures adopted pursuant to this Directive.
4. Member States may provide for voluntary supervision by self-regulatory bodies of compliance with the provisions of this Directive and recourse to such bodies for the settlement of disputes to be added to the means which Member States must provide to ensure compliance with the provisions of this Directive.

## Article 12

### Binding nature

1. The consumer may not waive the rights conferred on him by the transposition of this Directive into national law.
2. Member States shall take the measures needed to ensure that the consumer does not lose the protection granted by this Directive by virtue of the choice of the law of a non-member country as the law applicable to the contract if the latter has close connection with the territory of one or more Member States.

## Article 13

### Community rules

1. The provisions of this Directive shall apply insofar as there are no particular provisions in rules of Community law governing certain types of distance contracts in their entirety.
2. Where specific Community rules contain provisions governing only certain aspects of the supply of goods or provision of services, those provisions, rather than the provisions of this Directive, shall apply to these specific aspects of the distance contracts.

## Article 14

### Minimal clause

Member States may introduce or maintain, in the area covered by this Directive, more stringent provisions compatible with the Treaty, to ensure a higher level of consumer protection. Such provisions shall, where appropriate, include a ban, in the general interest, on the marketing of certain goods or services, particularly medicinal products, within their territory by means of distance contracts, with due regard for the Treaty.

## Article 15

### Implementation

1. Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive no later than three years after it enters into force. They shall forthwith inform the Commission thereof.
2. When Member States adopt the measures referred to in paragraph 1, these shall contain a reference to this Directive or shall be accompanied by such reference on the occasion of their official publication. The procedure for such reference shall be laid down by Member States.
3. Member States shall communicate to the Commission the text of the provisions of national law which they adopt in the field governed by this Directive.
4. No later than four years after the entry into force of this Directive the Commission shall submit a report to the European Parliament and the Council on the implementation of this Directive, accompanied if appropriate by a proposal for the revision thereof.

## Article 16

### Consumer information

Member States shall take appropriate measures to inform the consumer of the national law transposing this Directive and shall encourage, where appropriate, professional organizations to inform consumers of their codes of practice.

## Article 17

### Complaints systems

The Commission shall study the feasibility of establishing effective means to deal with consumers' complaints in respect of distance selling. Within two years after the entry into force of this Directive the Commission shall submit a report to the European Parliament and the Council on the results of the studies, accompanied if appropriate by proposals.

## Article 18

This Directive shall enter into force on the day of its publication in the Official Journal of the European Communities.

## Article 19

This Directive is addressed to the Member States.

Done at Brussels, 20 May 1997.

For the European Parliament  
The President

J.M. GIL-ROBLES  
For the Council  
The President  
J. VAN AARTSEN

- (1) OJ No C 156, 23. 6. 1992, p. 14 and OJ No C 308, 15. 11. 1993, p. 18.
- (2) OJ No C 19, 25. 1. 1993, p. 111.
- (3) Opinion of the European Parliament of 26 May 1993 (OJ No C 176, 28. 6. 1993, p. 95), Council common position of 29 June 1995 (OJ No C 288, 30. 10. 1995, p. 1) and Decision of the European Parliament of 13 December 1995 (OJ No C 17, 22. 1. 1996, p. 51). Decision of the European Parliament of 16 January 1997 and Council Decision of 20 January 1997.
- (4) OJ No C 92, 25. 4. 1975, p. 1.
- (5) OJ No C 167, 5. 7. 1986, p. 1.
- (6) OJ No C 294, 22. 11. 1989, p. 1.
- (7) OJ No L 250, 19. 9. 1984, p. 17.
- (8) OJ No L 156, 10. 6. 1992, p. 21.
- (9) OJ No L 298, 17. 10. 1989, p. 23.
- (10) OJ No L 113, 30. 4. 1992, p. 13.

## ANNEX I

Means of communication covered by Article 2 (4)

- Unaddressed printed matter
- Addressed printed matter
- Standard letter
- Press advertising with order form
- Catalogue
- Telephone with human intervention
- Telephone without human intervention (automatic calling machine, audiotext)
- Radio
- Videophone (telephone with screen)
- Videotex (microcomputer and television screen) with keyboard or touch screen
- Electronic mail
- Facsimile machine (fax)
- Television (teleshopping).

## ANNEX II

Financial services within the meaning of Article 3 (1)

- Investment services

- Insurance and reinsurance operations
- Banking services
- Operations relating to dealings in futures or options.

Such services include in particular:

- investment services referred to in the Annex to Directive 93/22/EEC (1); services of collective investment undertakings,
- services covered by the activities subject to mutual recognition referred to in the Annex to Directive 89/646/EEC (2);
- operations covered by the insurance and reinsurance activities referred to in:
  - Article 1 of Directive 73/239/EEC (3),
  - the Annex to Directive 79/267/EEC (4),
  - Directive 64/225/EEC (5),
  - Directives 92/49/EEC (6) and 92/96/EEC (7).

(1) OJ No L 141, 11. 6. 1993, p. 27.

(2) OJ No L 386, 30. 12. 1989, p. 1. Directive as amended by Directive 92/30/EEC (OJ No L 110, 28. 4. 1992, p. 52).

(3) OJ No L 228, 16. 8. 1973, p. 3. Directive as last amended by Directive 92/49/EEC (OJ No L 228, 11. 8. 1992, p. 1).

(4) OJ No L 63, 13. 3. 1979, p. 1. Directive as last amended by Directive 90/619/EEC (OJ No L 330, 29. 11. 1990, p. 50).

(5) OJ No 56, 4. 4. 1964, p. 878/64. Directive as amended by the 1973 Act of Accession.

(6) OJ No L 228, 11. 8. 1992, p. 1.

(7) OJ No L 360, 9. 12. 1992, p. 1.

Statement by the Council and the Parliament re Article 6 (1)

The Council and the Parliament note that the Commission will examine the possibility and desirability of harmonizing the method of calculating the cooling-off period under existing consumer-protection legislation, notably Directive 85/577/EEC of 20 December 1985 on the protection of consumers in respect of contracts negotiated away from commercial establishments ('door-to-door sales') (1).

(1) OJ No L 372, 31. 12. 1985, p. 31.

Statement by the Commission re Article 3 (1), first indent

The Commission recognizes the importance of protecting consumers in respect of distance contracts concerning financial services and has published a Green Paper entitled 'Financial services: meeting consumers' expectations'. In the light of reactions to the Green Paper the Commission will examine ways of incorporating consumer protection into the policy on financial services and the possible legislative implications and, if need be, will submit appropriate proposals.

### Code of Practice on Consultations

1. Consult widely throughout the process, allowing a minimum of 12 weeks for written consultation at least once during the development of the policy.
2. Be clear about what your proposals are, who may be affected, what questions are being asked and the timescale for responses.
3. Ensure that your consultation is clear, concise and widely accessible.
4. Give feedback regarding the responses received and how the consultation process influenced the policy.
5. Monitor your department's effectiveness at consultation, including through the use of a designated consultation co-ordinator.
6. Ensure your consultation follows better regulation best practice, including carrying out a Regulatory Impact Assessment if appropriate.

The complete code is available on the Cabinet Office's web site, address <http://www.cabinet-office.gov.uk/servicefirst/index/consultation.htm>.

### Comments or complaints

If you wish to comment on the conduct of this consultation or make a complaint about the way this consultation has been conducted, please write to Philip Martin, DTI Consultation Co-ordinator, Room 723, 1 Victoria Street, London SW1H 0ET or telephone him on 020 7215 6206 or mail to: [philip.martin@dti.gsi.gov.uk](mailto:philip.martin@dti.gsi.gov.uk).

## Annex E

### List of Consultees

Advertising Association  
Advertising Standards Authority  
Addleshaw Goddard  
Age Concern England  
Age Concern Northern Ireland  
Age Concern Scotland  
Age Concern Wales  
Alliance of Independent Retailers & Businesses  
Amazon European Public Policy  
Amway (UK) Limited  
AOL UK  
Argos limited  
Association for Payment Clearing Services  
Association of British Insurers  
Association of British Introduction Agencies  
Association of British Travel Agents  
Association of Building Hardware Manufacturers  
Association of Household Distributors  
Association of Independent Businesses  
Association of Independent Tour Operators  
Association of Local Authorities in Northern Ireland  
Association of Local Government  
Association of Translation Companies  
Automobile Association

Better Regulation Task Force  
Booksellers Association  
British Advertising Gift Distributors Association  
British Association of Leisure Parks & Attractions  
British Association of Removers  
British Association of Toy Retailers  
British Audio Dealers Association  
British Bankers Association  
British Ceramic Confederation  
British Chambers of Commerce  
British Cutlery and Silverware Association  
British Electrotechnical and Allied Manufacturers' Association  
British Federation of Audio Ltd  
British Footwear Association  
British Furniture Manufacturers Limited  
British Gas Trading Limited

British Hardware and Housewares Manufacturers Association  
British Holiday & Home Parks Association  
British Hospitality Association  
British Interior Textiles Association  
British Jewellery and Giftware Federation  
British Leather Confederation  
British Music Rights  
British Phonographic Industry  
British Retail Consortium  
British Toy and Hobby Association  
British Telecommunications PLC  
British Tourist Authority  
British Toy & Hobby Association  
British Vehicle Rental & Leasing Association  
Brunel University  
Business Europe  
Business Services Association  
Butterworths, Trading & Consumer Law

Cable & Wireless Gobaal  
Capita Group PLC  
Chartered Institute of Marketing  
Chartered Management Institute  
Citizens Advice  
Citizens Advice Northern Ireland  
Citizens Advice Scotland  
Citizens Advice Wales  
Claranet Limited  
Clifford Chance  
CMS Cameron McKenna  
COLT Telecom Group PLC Committee on the Administration of Justice (CAJ)  
Communications Advertising & Marketing Education Foundation Limited  
Computer Software and Services Association  
Computing Suppliers Federation  
Confederation of British Industry  
CE Electric UK  
Consumer Credit Association  
Consumer Credit Trade Association  
Consumers Association Consumers International  
Cosmetic Toiletry and Perfumery Association Ltd  
Council for Registered Gas Installers  
Creative Industries Association  
De Montfort University Department for Constitutional Affairs  
Department of Enterprise, Trade & Investment Northern Ireland

Department of Media, Culture & Sport  
Digital Content Forum  
Direct Mail Services Standards Board  
Direct Marketing Association(UK)  
Direct Selling Association  
Directory & Database Publishers  
Association  
Disability Action

Electricity Association  
Energis PLC  
Equality Commission for Northern  
Ireland  
Espirit Telecom group PLC  
EURIM  
Express Deliveries  
Faculty of Advocates  
Federation of British Hand Tool  
Manufacturers  
Federation of European Direct Marketing  
(FEDMA)  
Federation of Petroleum Suppliers  
Limited  
Federation of Tour Operators  
Federation of Small Businesses  
FSB – Northern Ireland  
Finance & Leasing Association  
Financial Ombudsman Service Ltd  
Foreign and Commonwealth Office  
Forum of Private Businesses  
France Telecom UK Limited  
Freeserve  
Gardenex: Federation of Garden and  
Leisure Manufacturers  
General Consumer Council for Northern  
Ireland  
Glass and Glazing Federation  
Greeting Card Association  
Guernsey Trading Standards  
Health Food Manufacturers Association  
Hire Association Europe  
HM Treasury  
House of Commons Library  
Trade & Industry Select Committee  
Hutchinson 3G UK Ltd  
IBM UK Limited  
Incorporated Society of British  
Advertisers  
ICSTIS: Independent Committee for the  
Supervision of Standards of Telephone  
Information Services  
Independent Energy UK Limited  
Independent Food Retailers Association  
Independent Footwear Retailers  
Association  
Independent Television Commission

Institute of Direct Marketing  
Institute of Directors  
IOD - Belfast  
Institute of Management  
Institute of Practitioners in Advertising  
Institute of Public Relations  
Institute of Sales Promotion  
Interactive Media Services  
International Consumer Policy Bureau  
International Swaps and Derivatives  
Association  
Internet Service Providers Association  
Invest Northern Ireland  
Irish of Trades Union  
John Lewis Partnership  
Kingston Communications (Hull) PLC

LACORS: Local Authorities Co-  
ordinators of Regulatory Services  
Law Commission  
Law Reform Committee  
Law Society  
Law Society of Northern Ireland  
Law Society of Scotland  
Local Government Association  
London Internet Exchange  
London School of Economics and  
Political Science  
Mail Order Traders Association  
Manchester University  
Mercury One2One  
Motorola Limited  
National Association of Estate Agents  
National Association of Tool Dealers  
National Consumer Council  
National Consumer Credit Federation  
National Consumers Federation  
National Federation of Consumer Groups  
National Federation of Retail  
Newsagents  
National Newspapers Mail Order  
Protection Scheme Limited  
Northern Ireland Committee  
Northern Ireland Council for Ethnic  
Minorities  
Nottingham Trent University  
NTL Group Limited  
Office of Telecommunications  
Office of the e-Envoy  
Office of Fair Trading  
Office of Gas & Electricity Markets  
Office of the Information Commissioner  
Orange Group  
Organisation of Timeshare in Europe  
Outdoor Industries Association  
Periodical Publishers Association

Philips Electronics UK  
Photo Marketing Association  
International  
The Post Office  
Power Gen  
Premium Rate Association  
Provision Trade Federation  
The Rainbow Project  
RAC Motoring Services  
Retail Motor Industry Federation  
Royal Institute of British Architects  
Royal Institute of Chartered Surveyors

Save The Children  
Scotch Whiskey Association  
Scottish Consumer Council  
Scottish Executive  
Scottish Hydro Electric  
Scottish Law Commission  
Scottish Motor Trade Association  
Scottish Power  
Scottish Software Federation  
Scottish & Southern Energy PLC  
Scottish Textile Network  
Scottish Trades Union  
Small Business Europe  
Small Electrical Appliance Marketing  
Association  
Society of British Gas Industries

Society for Motor Manufacturers and  
Traders Ltd  
Software Industry Federation  
St John's College  
Telewest Limited  
Tesco Home Shopping  
T-Mobile  
Trades Union Congress  
Trading Standards Institute  
TrustUK

UK Wine Club  
Union of Independent Companies  
University of Dundee  
University of Hull  
University of Nottingham University of  
Oxford  
University of Sheffield  
VISA International Services Association  
Vodafone Limited  
Welsh Consumer Council  
Welsh Local Government Association  
Which Legal Service  
Wine & Spirit Association of Great  
Britain and Northern Ireland  
Women's Forum Northern Ireland  
Yahoo! UK Limited

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