
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

Status: This is the original version (as it was originally made).

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.