
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations give cancellation rights in respect of a contract for goods or services made during a visit by a trader to a consumer's home or place of work or on an excursion organised by the trader. They revoke the Cancellation of Contracts Concluded away from Business Premises Regulations 1987 and re-implement Council Directive 85/577/EEC ("the Directive") to protect the consumer in respect of contracts negotiated away from business premises. The Directive provides cancellation rights for contracts made in similar circumstances during an unsolicited visit by a trader.

Regulations 5 and 6 set out the circumstances in which the consumer has a right to cancel the contract. The Regulations do not apply to excepted contracts set out in Schedule 3.

Regulation 7 provides for the right to cancel a contract and sets out the requirements of a notice of the right to cancel. Schedule 4 sets out the information to be contained in a notice of the right to cancel including a form of cancellation notice for use by the consumer in cancelling the contract.

Regulation 8 sets out the requirements for a consumer wishing to exercise his right to cancel the contract.

Regulation 9 provides for payment to be made in respect of certain contracts when goods or services are received before cancellation.

Regulations 10, 12, 13 and 14 provide for the consequences of cancellation and the obligations and rights of the parties in these circumstances.

Regulation 11 provides for the automatic cancellation of a consumer credit agreement entered into at the same time as a contract for goods or services when the contract for goods or services is cancelled.

Regulation 15 protects the rights of consumers by providing that any term in a contract that is inconsistent with a provision for the protection of a consumer under the Regulations is void.

Regulations 17 to 23 relate to enforcement of these Regulations. Regulation 17 provides that it is an offence for a trader to enter a contract to which these Regulations apply without complying with the requirements of regulation 7 relating to the service of notice of the right to cancel. A person guilty of such an offence is liable on summary conviction to a fine of up to £5,000.

A transposition note and an impact assessment of the effect that these Regulations will have on the costs to business and the voluntary sector are available from the Consumer and Competition Policy Directorate, Department for Business, Enterprise & Regulatory Reform, 1 Victoria Street, London SW1H 0ET or on the BERR website (www.berr.gov.uk). They are also annexed to the Explanatory Memorandum which is available alongside the Regulations on the OPSI website. Copies of the impact assessment and transposition note have also been placed in the libraries of both Houses of Parliament.