
STATUTORY INSTRUMENTS

2005 No. 37

**The Supply of Extended Warranties on
Domestic Electrical Goods Order 2005**

Cancellation and termination rights

8.—(1) It shall be unlawful for a supplier to supply (whether directly or on behalf of a third party) a consumer with an extended warranty which has an initial duration of more than one year unless—

- (a) the consumer is permitted to cancel the extended warranty, by notice, within the period of 45 days beginning with day on which the extended warranty is purchased, and is permitted to obtain a full refund of the price paid where no claim has been made under the extended warranty;
- (b) subject to paragraph (2), the consumer is permitted to terminate the extended warranty, by notice, at any time after the expiration of the period referred to in paragraph (1)(a), regardless of whether a valid claim has been made under the extended warranty, and is permitted to obtain a pro rata refund of the price paid; and
- (c) subject to paragraph (3), the supplier gives notice in writing to a consumer who has purchased such an extended warranty, at least 20 days before the end of the period referred to in paragraph (1)(a), informing the consumer of the right to cancel or to terminate the extended warranty pursuant to paragraph (1)(a) or (b).

(2) Paragraph (1)(b) shall not apply where the extended warranty terminates on the making of a claim.

(3) Paragraph (1)(c) shall not apply where the price of the extended warranty is £20 (inclusive of Tax) or less.

(4) The pro rata refund referred to in paragraph (1)(b) shall be calculated by reference to the remaining period of full unexpired months of cover provided by the extended warranty.

(5) The supplier shall not take into account any discounts which were linked to the purchase of the domestic electrical good to which the extended warranty relates when providing a full refund or pro rata refund pursuant to paragraph (1)(a) or (b).

(6) In paragraph (1)(a) and (b)—

- (a) “notice” means a notice given orally or in writing; and
- (b) “refund” does not include a refund in vouchers or credit notes unless payment or partial payment for the extended warranty was made in vouchers or credit notes and only to the extent of such payment.