



# Right to cancel from June 13th

## Consumer Contracts Regulations

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## 1. Introduction

On June 13th, 2014 the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 will enter into force. These regulations implement the EU Directive on Consumer Rights which aims at harmonising some of the consumer protection legislation across the EU.

This whitepaper focuses on the new rules for the right to cancel which will replace the existing rules currently contained in the Distance Selling Regulations.

First, we shall explain the new legal position under the Consumer Contracts Regulations. Followed by this extensive first part we have included a table into this whitepaper which puts the model cancellation instruction provided by the regulations in a more comprehensible structure which is meant to assist you in drafting your cancellation policy step by step.

**This whitepaper intends to help you familiarise yourself with the new rules and prepare your shop for June 13<sup>th</sup>.**

**The new right to cancel will enter into force on June 13<sup>th</sup> only. Therefore, if you have not yet done so, start preparing your new documents now but do not put the new cancellation policy online until June 13<sup>th</sup>. Send out the new cancellation policy to consumers only who enter into a contract with you from June 13<sup>th</sup> onwards.**

The rules on the right to cancel do not apply to contracts

- for the supply of medicinal product by administration by a prescriber or under a prescription or directions given by a prescriber
- for the supply of a product by a health care professional or a person included in a relevant list, under arrangements for the supply of services as part of the health service, where the product is one that, at least in some circumstances is available under such arrangements free or on prescription;
- for passenger transport services, e.g. bus, train or flight tickets.

## 2. Changes to the right to cancel explained

### 2.1 The cooling off period

Currently consumers can cancel a contract within 7 working days.

From June 13th onwards consumers are legally entitled to a cooling off period (the time they can take to cancel their contract) of 14 days.

Days are Monday to Sunday, which makes the calculation easy. In order to be within the cooling off period it is enough that the consumer sends off the cancellation in time. It is irrelevant when you received it.

The cancellation period begins when the contract is entered into. In this context it is important to know that consumers are entitled to withdraw their offer at any time from the moment they submitted their order until the contract is concluded. From that moment onwards the right to cancel starts.



**Practical advice:**

Delete any clauses in your shop that state that an order once submitted cannot be cancelled or rescinded.

To determine the end of the 14 days cooling off period a distinction between the different types of contract has to be made.

There are three types of contract that are relevant:

1. A **sales contract**. This is any contract where you sell some kind of good to your customer and he pays the price of the good to you. A contract that has elements of goods and services in it, e.g. where you sell a mobile phone with a corresponding phoning contract, is to be seen as a sales contract.
2. A **service contract**. This is any contract other than a sales contract, under which a service is provided to the consumer for which he pays the agreed price.
3. A **contract for the supply of digital content which is not on a tangible medium**. Digital content is data which are produced and supplied in digital form. Where this is not done on a tangible medium, we usually speak of downloads or streaming. The new regulations clearly fix the issues of the right to cancel for downloads, which was previously not the case.

For service contracts and for downloads and streaming the cooling off period ends 14 days after the day on which the contract was entered into.

For sales contracts the end of the cooling off period is dependent on how the goods are delivered and when they came into the physical possession of the consumer or a person other than the carrier identified by the consumer to take possession of the goods.

The following table shows when the cooling off period for sales contracts ends.

<b>Goods delivery for a sales contract</b>	<b>End of cooling off period</b>
- one order delivered in one delivery	14 days after the day on which the <b>goods</b> came into the consumer's physical possession
- multiple goods ordered in one order but delivered on different days	14 days after the day on which the <b>last good</b> came into the consumer's physical possession
- goods consisting of multiple lots or pieces delivered on different days	14 days after the day on which the <b>last of the lots or pieces</b> came into the consumer's physical possession
- regular delivery of goods during a defined period of more than a day	14 days after the day on which the <b>first of the goods</b> came into the consumer's physical possession



**Practical advice:**

Where retailers follow a practice of splitting the order and delivering the goods in several parcels on different days (for example due to their different availability), you might want to reconsider this practice.

The consumer will have a right to cancel for all goods until 14 days after the day on which the last good arrived. Depending how soon all goods are delivered this could mean that for the earlier received goods a longer cancellation period exist.

This however is a business decision as sending goods ordered together according to their availability might be a competitive advantage for you.

## 2.2 Exercising the right to cancel

Under the Distance Selling Regulations consumers can exercise their right to cancel in writing or in another durable medium. Although the regulations do not name a cancellation by phone as an option, the authorities had made it clear that cancellation by phone would be acceptable if the retailer explicitly informs the consumer about this possibility.

Under the Consumer Contract Regulations however, there are no formal requirements as to how the right to cancel is to be exercised.

Regulation 32 just requires the consumer to inform the retailer about their wish to cancel. Basically the consumer can make any clear statement about his decision to cancel the contract. This could be done by sending an email, a letter, a fax, giving the retailer a phone call or sending back the goods with a clear note that this is a cancellation.

Although there is no formal requirement to the exercising of the right to cancel, you are under the duty to provide the consumer with the model cancellation form below that the regulations offer in Schedule 3 B.

In square brackets the model cancellation form (here marked in pink) requires the retailer to fill in his details.

### M1 Model cancellation form

To [here the trader's name, geographical address and, where available, fax number and e-mail address are to be inserted by the trader]:

I / We[\*] hereby give notice that I /We[\*] cancel my/our [\*] contract of sale of the following goods [\*]/for the supply of the following service[\*],

Ordered on [\*] / received on [\*],

Name of consumer(s),

Address of consumer(s),

Signature of consumer(s) (only if this for is notified on paper).

Date

[\*] Delete as appropriate



**Practical advice**

Offer this model cancellation form on your website, for example as a PDF document for download.

Where you want to offer consumers a contact form on the website itself where they can register their cancellation you need to ensure that an immediate acknowledgement of the receipt of the cancellation request is sent to the consumer on a durable medium. The easiest way is to arrange for an automatic acknowledgment email. Keep in mind, that the consumer cannot be obliged to use the fill in form on your website. It can be offered to him as one option only.

## 2.3 Returns

Once the right to cancel is exercised the consumer is under the duty to send back the goods to the address specified by you. If you have not specified the return address, consumers can send the goods to any contact address provided on your site.

Where the consumer makes use of his right to cancel he is not required to send back the goods within the cooling off period of 14 days. In that period he has to inform you about his cancellation only.



### Practical advice

Avoid any clause that intends to oblige the consumer to return the goods within 14 days. Check your terms and conditions but also any information sites like a refund and returns page or the FAQ.

### 2.3.1 Return deadline

Consumers must not delay the return and must send the goods back not later than 14 days after the day on which they informed the retailer of their cancellation.

### 2.3.2 Return costs

As provided under the current legislation, you will be allowed to impose the return cost on the consumer. However, this is only possible if you have informed the consumer about this before he enters into a contract with you. If you failed to inform him you will have to bear the cost of returning.



### Practical advice

Include a clause like “You must send the goods back to our contact address [specify your address] at your own cost” into your terms.

### Note

Where the goods cannot normally be sent back by post, e.g. larger goods like furniture, you are required to inform the consumer about the cost of returning the goods before the consumer is bound by the contract.

Often where a courier company is involved in the return of the goods it might be difficult to reasonably calculate the costs in advance; in such cases you should provide information about the estimated maximum cost.

Where you offer to collect the goods, consumers don't have to bear the cost of returning unless you had informed them and they had previously agreed to the costs.



## 2.4 Refunds

Basically you need to reimburse the consumer any payment that you received from him without imposing any fee. This includes the purchase price and the cost of sending the goods to the consumer (delivery costs).

But there are some costs that do not need to be reimbursed:

- a) the return costs where you imposed them on the consumer
- b) the additional cost for more expensive delivery methods that the consumer expressly chooses compared to the least expensive standard delivery offered in your shop. An example shall illustrate this.

You offer a standard delivery of 3.95 GBP which is the delivery method that is the least expensive one in your shop. Additionally you offer also next day express delivery charged at 6.95 GBP. In the course of the ordering process the consumer himself chooses the next day express delivery. If the consumer now cancels the contract you will have to reimburse him only 3.95 GBP with regards to the delivery costs.

The reimbursement is to be done using the same payment method as the consumer used initially.

### 2.4.1 Refund deadline

Likewise in the return of the goods on the part of the consumer the reimbursement from your part must be done without undue delay, but in any case no later than the end of 14 days after the day on which you have received the goods back. If the consumer supplies you with evidence of having sent the goods back before you have received them, then you need to reimburse the consumer within 14 days from the day after the day on which you were supplied with that evidence.

This means that you now can withhold the reimbursement until you have received the goods back or at least until you can be sure that the goods have been sent back because the consumer has provided you with evidence.

Where you have agreed to collect the goods or in all other circumstances (e.g. cancellation of a service contract) reimbursement has to be done by the end of 14 days after the day on which the retailer is informed of the consumer's decision to cancel the contract.

### 2.4.2 Right to compensation for diminished value of goods

The regulations introduce a right for the retailer to recover an amount from the consumer for a loss of value of the goods as a result of handling the goods beyond "what is necessary to establish the nature, characteristics and functioning of the goods". This means in particular that the consumer may inspect the goods in a way that would be possible in store. There, consumers will be allowed to try on clothes and shoes but they cannot wear them outside nor may they remove the tags. Likewise, consumers buying goods in an online shop may not use the goods in a way other than permitted in a store.

## 2.5 Ancillary contracts

The cancellation of a contract has the effect of automatically cancelling any contracts that are related to the main contract. Often financial services in online shops are so called ancillary contracts. Although financial services are exempted from the regulation, in a case where the related credit agreement has been entered into specifically to finance the purchase of the goods or services cancellation of the main contract terminates the related financial contract without any further costs. If the ancillary financial service is provided by a third party, you will have to inform him of the consumer's cancellation.

## 2.6 Exceptions

Like under the Distance Selling Regulations the right to cancel does not exist for some kind of contracts. Whereas some kind of goods are excluded from the right to cancel, i.e. consumers cannot return such goods for some contracts the right to cancel ceases- meaning that the right to cancel does not exist anymore once specific circumstances occurred.

To invoke any of the legal exceptions you will need to inform the consumer about this before he is bound by the contract.



### Practical advice

Make sure that you have included all exceptions that are applicable to your shop in your cancellation policy. It is highly recommended that you use the wording of Regulation 28 to refer to the particular exceptions and you should be careful not to interpret these exceptions more widely than in the relevant regulatory guidance.

The bullet points in the explanation below use the wording of Regulation 28.

### 2.6.1 Exceptions related to the supply of goods

For the following kind of sales contracts the statutory right to cancel as laid out in the Consumer Contracts Regulations does not exist:

- ❖ **the supply of goods or services (other than supply of water, gas, electricity or district heating) for which the price is dependent on fluctuations in the financial market which cannot be controlled by the trader and which may occur within the cancellation period**

If you sell goods or services for which the price is dependent on fluctuations in the financial market which you cannot control and where those price variations may occur during the cancellation period, you can exclude the right to cancel.

For retailers selling investment type products online for which the price is dependent on fluctuations in the financial market this exemption is relevant.

Utility supplies such as water, gas, electricity or district heating are excluded from the exemption, meaning that the right to cancel remains for such service contracts.

- ❖ **the supply of goods that are made to the consumer's specifications or are clearly personalised**



Goods that have been made to the consumer's specifications or are clearly personalised are excluded from the right to cancel.

Goods that have been engraved or printed with a personal photo that the consumer provided can generally be seen as falling under this exception.

Note however, that where a consumer merely makes a choice of general options that you provide, e.g. size and colour of a garment, this exception does not apply. Likewise, where you order a product or manufacture it after the consumer has ordered it from you, but the product is not bespoke, you cannot rely on this exemption.

As the Department for Business, Innovation & Skills guidance explains, where a product (e.g. a sofa or computer) is assembled pursuant to choices a customer makes from a standard range, the product will not be bespoke for the purposes of the Regulations and the right to cancel will apply. This may not be the case if the consumer asks the retailer to assemble the product using an item that is not in the standard range (i.e. this is more likely to be a bespoke product).

The aim is to protect traders from being left with products that were made for one consumer but otherwise have no other market.

In its guidance paper the Department for Business, Innovation & Skills clarifies that the judgement of what is "made to the consumer's specification or is clearly personalised" needs a case-by-case analysis. For instance, a football shirt bearing the consumer's own name will be likely to fall under this exemption, whereas a shirt with the name of a famous football player might not.

❖ **the supply of goods which are liable to deteriorate or expire rapidly**

Goods that are liable to deteriorate or expire rapidly are excepted from the right to cancel. This will be the case for fresh fruit or fresh flowers.

❖ **the supply of alcoholic beverages, where -**

- (i) their price has been agreed at the time of the conclusion of the sales contract,**
- (ii) delivery of them can only take place after 30 days, and**
- (iii) their value is dependent on fluctuations in the market which cannot be controlled by the trader**

This exception will apply for example where wine is supplied a long period after the contract was concluded. These contracts have a speculative character and the wine in question is likely to be bought for investment purposes.

❖ **the supply of a newspaper, periodical or magazine with the exception of subscription contracts for the supply of such publications**

Where consumers buy a newspaper, periodical or magazine they cannot exercise their right to cancel. But if they enter into a subscription contract for such publications, then they will retain their cancellation right.

❖ **contracts concluded at a public auction**

A public auction is defined by the Regulations as a "method of sale where (a) goods or services are offered by (a) trader to consumers through a transparent, competitive bidding procedure run by an auctioneer (b) the consumers attend or are given the possibility to attend in person and (c) the successful bidder is bound to purchase the goods or services"



Consequently retailers selling on eBay or other online auction sites are no longer exempted merely because they sell via such auctions. Irrespective of whether they sell their goods by auction or through a “buy it now” offer, retailers on such sites will have to offer their consumers a right to cancel and furthermore will need to comply with all aspects of the Consumer Contracts Regulations.

### **2.6.2 Ceasing of the right to cancel related to the supply of goods**

For the following kind of sales contracts the statutory right to cancel as laid out in the Consumer Contracts Regulations exists until the circumstances mentioned in the Regulations occur.

- ❖ **In the case of contracts for the supply of sealed goods which are not suitable for return due to health protection or hygienic reasons, the right to cancel ceases if the goods become unsealed after delivery.**

Retailers will not need to accept cancellations for goods that are not suitable for returns because of health protection or hygiene reasons, provided the goods are sent to the consumer as sealed goods and have then become unsealed after delivery.

This will probably be the case for make-up items like lipstick or underwear or sterile items where the hygiene seal is broken or removed.

- ❖ **In the case of a contract for the supply of sealed audio or sealed video recordings or sealed computer software, the right to cancel ceases if the goods become unsealed after delivery.**

Where consumers buy sealed audio, video or computer software they can return them within the cooling off period unless they are unsealed. To make use of this exemption you will have to ensure that the audio or video recordings or computer software are supplied in sealed state.

- ❖ **In the case of sales contracts, the right to cancel ceases if the goods become mixed inseparably (according to their nature) with other items after delivery.**

For contracts where the goods become mixed inseparably with other items after delivery the right to cancel ceases. This applies for example to the supply of fuel if inseparably mixed with other items after delivery.

### **2.6.3 Exceptions related to the supply of services:**

- ❖ **contracts where the consumer has specifically requested a visit from the trader for the purpose of carrying out urgent repairs or maintenance**

In cases where consumers enter into service contracts that require you to visit the consumer for the purpose of carrying out urgent repairs or maintenance, consumers cannot cancel the contract.

However, be aware, that if during that visit for some urgent repair or maintenance the consumer concludes a contract with you for another service of non-emergency service, then for that additional service the consumer has a right to cancel.

Likewise, if during that visit the consumer buys from you another good other than the replacement parts necessarily used in making the repair or carrying out the maintenance, for those additional goods the consumer still benefits from the 14 day cooling off period. In these circumstances this may well constitute an off-premises contract for which more onerous requirements apply.



- ❖ **the supply of accommodation, transport of goods, vehicle rental services, catering or services related to leisure activities, if the contract provides for a specific date or period of performance.**

Where consumers book a hotel accommodation or a vehicle rental service, where they enter into a contract for a courier service or order a catering service or another service related to leisure activities such as a restaurant booking or the purchase of theatre tickets, in each case for a specific date or period of performance, the right to cancel does not exist.

This will include car hire, the booking of wedding venues or theatre tickets for specific dates.

It is common practice to offer consumers a right to cancel with respect to the above mentioned contracts, as they are often booked far in advance. It is up to you to fix the terms and you could stagger the periods during which the consumer could cancel free of charge. As for these cases no statutory right to cancel exists, you could even charge for a cancellation.

#### **2.6.4 Ceasing of the right to cancel related to the supply of services**

Where you supply services in your online shop you need to be aware that as a general rule you must not start the service before the end of the 14 day cooling off period unless the consumer has made an express request to do so.

The right to cancel ceases after full performance of the service but only if the consumer had made a request to start the service before the end of the cooling off period and the consumer acknowledged that he would lose his right to cancel the contract once the service had been fully performed by the retailer.

This means that consumer could still cancel their contract even if they requested you to begin the service and you already started it. But to safeguard you against financial loss in such cases the regulations provide you with a right to recover an amount for the services performed so far. The consumer must then pay you an amount for the period you supplied the service up to the time when the consumer informed you of his cancellation. The amount has to be in proportion to what has been supplied in comparison with the full coverage of the contract.

To demand this compensation you must have informed the consumer of the right to cancel and that he would have to pay for any work done if he cancels the contract after you started the services on his express request in accordance with the information provision obligations of the Consumer Contracts Regulations.



#### **Practical advice**

Use a checkbox on your order summary page or another suitable page of the ordering process to obtain the consumer's express request to start with the supply of the service before the end of the cooling off period and to make him acknowledge about the ceasing of his right to cancel and the fact that he will have to compensate you for any work done until cancellation.

The following text could be used for this purpose:

### **M1 Consent to the supply of digital content**

I expressly request you to start the service during the legal cooling off period and acknowledge that my right to cancel the contract will be lost once the contract has been fully performed. I recognize that I will have to pay for the services provided if I cancel the contract despite my express request to start the service within the legal cooling off period.

## **2.6.5 Ceasing of the right to cancel related to the supply of digital content not on a tangible medium**

Like for the supply of services the supply of digital content not on a tangible medium must not be started before the end of the 14 day cooling off period. To do so the consumer's express consent is required. The supply of digital content not on a tangible medium will usually be a download or streaming. If the consumer expressly agrees that a download is started and if he acknowledges that he will lose his right to cancel, his right to cancel for the supply of digital content not on a tangible medium ceases and you may provide the download.



### **Practical advice**

When supplying digital content not on a tangible medium you should on the order summary page or another suitable page of the ordering process include a checkbox to get the consumer's express consent to start with the download or streaming during the cooling off period and to provide an acknowledgement that the right to cancel will cease once the supply has begun. Only if the consumer acknowledges this are you allowed to begin the supply.

You could make use of the following text:

### **M2 Consent to the supply of digital content**

I consent to the starting of the supply of the digital content during the legal cooling off period and I acknowledge that my right to cancel the contract will be lost with this consent to start the supply of the digital content.

Ensure that the confirmation of the contract on a durable medium (usually email) contains a confirmation of the consent and acknowledgment that the consumer had provided in the shop.



If you started the supply of the download or streaming before the end of the cooling off period without the consumer having given his express consent to do so, the consumer will not have to pay for it, neither partly nor fully.

The same consequence will occur if you did not make the consumer acknowledge that he loses his right to cancel when he gave his consent to start the supply during the cooling off period.

And where you failed to provide confirmation of the consent and acknowledgement in the confirmation of contract those consequences will apply.

### **3. Step by step to the cancellation policy**

#### **3.1 Notes on how to use the table**

The following table is meant to assist you in creating your cancellation policy by filling out the model instructions for cancellation provided by Schedule 3 of the Consumer Contracts Regulations

Go through the table in chronological order. From each section you need to copy one passage (marked in grey) into your policy. Where there are several options, read through the question and choose the appropriate text according to your answer.

Keep in mind that from each passage you can only choose one option. Where you offer services and goods, you should make use of two cancellation policies.

The regulations give you the option of using the model instruction for cancellation but you are not obliged to do so. The benefit for you as a retailer by using the correctly filled in model instruction is that you have legal certainty with regards to compliance with your information obligations on the right to cancel.

Where you want to be really sure that you comply with your legal obligations and want to ensure that the cancellation policy matches the style of wording used in your shop we recommend to get legal advice.



## 1 Right to cancel

### Right to cancel

You have the right to cancel this contract within 14 days without giving any reason.

## 2 Cooling off period

**Which type of contract are you providing in your online shop and how are you sending the goods to the consumer ? (choose only one option)**

Goods	1 order 1 delivery	1 order (multiple goods) Delivered separately	1 order (one good consisting of multiple lots or pieces) Several deliveries of those lots or pieces	1 order Regular delivery of goods during a defined period of time (e.g. subscription)
	<b>Text to be used:</b> The cancellation period will expire after 14 days from the day on which you acquire, or a third party other than the carrier and indicated by you acquires, physical possession of the goods.	<b>Text to be used:</b> The cancellation period will expire after 14 days from the day on which you acquire, or a third party other than the carrier and indicated by you acquires, physical possession of the last good.	<b>Text to be used:</b> The cancellation period will expire after 14 days from the day on which you acquire, or a third party other than the carrier and indicated by you acquires, physical possession of the last lot or piece.	<b>Text to be used:</b> The cancellation period will expire after 14 days from the day on which you acquire, or a third party other than the carrier and indicated by you acquires, physical possession of the first good.
Service Or Contract for the supply of digital content that is not on a tangible medium (download, streaming)	1 order			
	<b>Text to be used:</b> The cancellation period will expire after 14 days from the day of the conclusion of the contract.			



### 3 Address

**Text to be used:**

To exercise the right to cancel, you must inform us [INSERT: your name, geographical address and, where available, your telephone number, fax number and e-mail address] of your decision to cancel this contract by a clear statement (e.g. a letter sent by post, fax or e-mail).

### 4 Option for submitting cancellation via form on website

**Do you provide your consumers with the additional option of electronically filling in and submitting their cancellation via your website ?**

Yes	No
<p><b>Text to be used:</b></p> <p>You may use the attached model cancellation form, but it is not obligatory.</p> <p>You can also electronically fill in and submit the model cancellation form or any other clear statement on our website [INSERT: your internet address]</p> <p>If you use this option, we will communicate to you an acknowledgement of receipt of such a cancellation on a durable medium (e.g. by e-mail) without delay.</p>	<p><b>Text to be used:</b></p> <p>You may use the attached model cancellation form, but it is not obligatory.</p>

### 5 Deadline

**Text to be used:**

To meet the cancellation deadline, it is sufficient for you to send your communication concerning your exercise of the right to cancel before the cancellation period has expired.



## 6 Effects of cancellation

**Text to be used:**

Effects of cancellation

If you cancel this contract, we will reimburse to you all payments received from you, including the costs of delivery (except for the supplementary costs arising if you chose a type of delivery other than the least expensive type of standard delivery offered by us).

We may make a deduction from the reimbursement for loss in value of any goods supplied, if the loss is the result of unnecessary handling by you.

We will make the reimbursement without undue delay, and not later than –

- (a) 14 days after the day we receive back from you any goods supplied, or
- (b) (if earlier) 14 days after the day you provide evidence that you have returned the goods, or
- (c) if there were no goods supplied, 14 days after the day on which we are informed about your decision to cancel this contract.

We will make the reimbursement using the same means of payment as you used for the initial transaction, unless you have expressly agreed otherwise; in any event, you will not incur any fees as a result of the reimbursement.

## 7 Retention of reimbursement

**Have you not offered collection of the goods and intend to withhold reimbursement until the receipt of the goods?**

We have not offered collection, the consumer shall send back the goods and we want to withhold reimbursement until the goods are received

We have offered to collect the goods from the consumer.

**Text to be used:**

We may withhold reimbursement until we have received the goods back or you have supplied evidence of having sent back the goods, whichever is the earliest.

**No text to be used**



## 8 Return of goods

### Were goods sent to the consumer and how shall the goods be returned?

No goods were sent to the consumer	The consumer shall send back the goods	We will collect the goods.
<b>No text to be used</b>	<b>Text to be used:</b> You shall send back the goods or hand them over to us or ... [insert the name and geographical address, where applicable, of the person authorised by you to receive the goods], without undue delay and in any event not later than 14 days from the day on which you communicate your cancellation from this contract to us. The deadline is met if you send back the goods before the period of 14 days has expired.	<b>Text to be used:</b> We will collect the goods.

## 9 Return cost

### Will you bear the cost of returning the goods ?

Yes	No		
	<b>Can the goods normally be returned by post ?</b>		
	Yes, by their nature the goods can be returned by post (less than 30 kg)	No, by their nature the goods cannot be returned by post (weight above 30 kg)	
		<b>Can the return cost be calculated in advance ?</b>	
	Yes, the cost can be calculated in advance	No, the exact cost cannot be calculated in advance	
<b>Text to be used:</b> We will bear the cost of returning the goods	<b>Text to be used:</b> You will have to bear the direct cost of returning the goods.	<b>Text to be used:</b> You will have to bear the direct cost of returning the goods, ... [insert the amount].	<b>Text to be used:</b> You will have to bear the direct cost of returning the goods. The cost is estimated at a maximum of approximately [insert the amount].



## 10 Consumer's liability for diminished value of the goods

### Text to be used :

You are only liable for any diminished value of the goods resulting from the handling other than what is necessary to establish the nature, characteristics and functioning of the goods.

## 11 Compensation in the case of service a contract

**Is this a service contract and you want to claim compensation in cases where you have started the supply of the service on the consumer's express request but he cancelled?**

Yes	No
<p><b>Text to be used:</b></p> <p>If you requested to begin the performance of services during the cancellation period, you shall pay us an amount which is in proportion to what has been performed until you have communicated us your cancellation from this contract, in comparison with the full coverage of the contract</p>	<p><b>No text to be used</b></p>



## 4. What you should do now

The changes on the right to cancel are significant for UK retailers. Not only will you need to replace your cancellation policy as well as the information on the right to cancel that you need to provide on a durable medium on June 13<sup>th</sup>, you will also have to adjust your internal processes accordingly.

Providing the correct information at the required time is important. Otherwise you will not benefit from the rights that the Consumer Contracts Regulations provides you with and in contrast, consumer's might enjoy a longer cooling off period or are not liable to pay the return cost or any compensation.

Keep in mind that the new regulations will enter into force on June 13<sup>th</sup>. This means that for the following days with regards to the processing of cancellation requests you will have to deal with the regulations of the Distance Selling Regulations (for contracts that were formed until June 12<sup>th</sup>) and with the new legal situation (for contracts concluded on or after June 13<sup>th</sup>).

Therefore it is important that you familiarise yourself with the new right to cancel and where you employ staff for the processing of any return request you will have to ensure that appropriate training on the new regulations is provided to your staff.



## About the author

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She joined the Trusted Shops' team in 2009. After having conducted audits of German, French and English online shops, she now is responsible for UK audits.

Furthermore, she co-authors the Trusted Shops handbook for online retailers which is regularly updated and writes about legal issues that are of relevance for online retailers in the Trusted Shops' UK blog.



## About Trusted Shops

Trusted Shops provides the leading online trustmark through a commitment of responsibility, buyer protection and customer reviews. Over 18,000 retailers in Europe trust the comprehensive Trusted Shops package. With the Trusted Shops trustmark, online retailers can demonstrate that their shop is committed to industry standards and the Trusted Shops Code of Conduct. In addition, Trusted Shops financially insures customers' purchases with the buyer protection guarantee. This increases customer confidence in the shop and their willingness to buy, which leads to more trust and more turnover for the retailer.

