

Regulation of Consumer Contracts: A Discussion Paper of Issues and Possible Regulations in Saskatchewan

Introduction – Purpose of Discussion Paper	2
Summary of select provisions of <i>The Consumer Protection Act</i> and <i>The Consumer Protection and Business Practices Act</i> dealing with consumer contracts	2
Disclosure	2
Elements of the contract	2
Cancellation of the contract	3
Responses	4
Consolidation of Questions for Discussion	4

Saskatchewan Ministry of Justice
Financial and Consumer Affairs Authority of Saskatchewan
June 2013

Introduction – Purpose of Discussion Paper

[*The Consumer Protection Act*](#) and [*Regulations*](#) provide detailed rules for the relationship between consumers and suppliers of certain goods and services. Consumer contracts are the contracts between consumers and suppliers, such as:

- Internet sales contracts (contracts formed on-line)
- Future performance contracts (contracts for which services and/or payment is in the future)
- Remote contracts (contracts formed when the parties are not physically together, such as by telephone or email)

[*The Consumer Protection and Business Practices Act*](#) was passed by the Saskatchewan Legislative Assembly in spring 2013. Part V of the legislation permits regulations dealing with a variety of aspects of consumer contracts. When passed and brought into force, it will replace the current legislation respecting consumer contracts. For that to happen, new regulations must be prepared.

The purpose of this discussion paper is to raise issues that will be addressed in the regulations and determine stakeholders views on these issues. This paper will provide a brief summary of current provisions, followed by some questions for discussion and comment.

The government does not intend to significantly overhaul the consumer contracts rules; they were enacted in 2006 following extensive consultations. However, if there is an opportunity to improve the rules or address problems, the government would like to hear about them.

Summary of select provisions of *The Consumer Protection Act* and *The Consumer Protection and Business Practices Act* dealing with consumer contracts

Many of the legislated requirements for the different kinds of consumer contracts are remarkably similar. For example, all require that the contract be in writing. The following discussion lists individual requirements by contract type.

Disclosure

Internet contracts and **remote contracts**, because they are not formed face to face, require specific disclosures by the supplier to the consumer, in print-ready format, before the contract is entered. These include:

- Complete price and payment information
- Date on which goods will be supplied and delivery arrangements, or date and method of providing the services
- Cancellation, exchange and refund policies
- A fair and accurate description of the goods and services

Elements of the contract

All types of consumer contracts have prescribed elements that must be in the contract. The ones that are common to all are:

- Name of the consumer
- Name, address and telephone number of the supplier
- Other ways to get in touch with the supplier, such as fax and email
- Date of the contract
- The currency for the payment
- Other restrictions, conditions and limitations that may apply

Other elements are in several of the consumer contracts. **Internet services contracts** and **remote contracts** require the same information that was required to be disclosed to the consumer as mentioned above on page one.

Cancellation of the contract

Each consumer contract type has specific rules about why it can be cancelled, when it can be cancelled, and how it can be cancelled.

Internet sales contracts can be cancelled:

- Within 30 days after the date that it is entered into if the supplier does not provide the consumer with a copy of the contract.
- At any time for failure to disclose mandated information identified on page one.
- Up to seven days after the consumer receives a copy of the contract if it does not give the consumer the express opportunity to accept or decline the contract or to correct errors.
- Before delivery of the goods if the supplier does not deliver the goods within 30 days of the promised date.
- Before the commencement of the provision of services if the services are not provided within 30 days after the promised date.
- For travel, transportation or accommodation services, if the services are not provided on the promised date.
- If a delivery or service date is not specified, if the goods are not delivered or services are not commenced within 30 days after the date that the contract is entered into.

Future performance contracts can be cancelled:

- Within one year after the date of receiving the contract if the contract does not contain the information listed on page two.
- At any time before delivery of goods or commencement of the services if they are not provided within 30 days of the promised date.

Remote contracts can be cancelled:

- At any time for failure to disclose mandated information identified on page one.
- At any time after the contract is entered into until seven days after the consumer receives a copy of the contract, if the contract does not contain the information listed on page two.
- Before the goods or services are provided if the goods or services are not provided within 30 days of the promised date.
- For travel, transportation or accommodation services, if the services are not provided on the promised date.
- If a delivery or service date is not specified, if the goods are not delivered or services are not commenced within 30 days after the date that the contract is entered into.

Responses

Please submit your email, mail, or fax responses to the discussion questions by September 30, 2013 to:

Mary Ellen Wellsch
Senior Crown Counsel
Legislative Services Branch
Saskatchewan Ministry of Justice
800 - 1874 Scarth Street
REGINA SK S4P 4B3
Maryellen.Wellsch@gov.sk.ca
Fax: (306)787-9111

Please provide your contact information. Note that your submissions may be disclosed publicly pursuant to *The Freedom of Information and Protection of Privacy Act*.

The Consumer Protection Act can be accessed at www.qp.gov.sk.ca/documents/English/Statutes/Statutes/C30-1.pdf. Please refer to pages 36 through 71 (Parts IV.1 through IV.5) for consumer contracts.

The Consumer Protection Regulations, 2007 can be accessed at www.qp.gov.sk.ca/documents/English/Regulations/Regulations/C30-1R2.pdf. Please refer to pages 4 through 27 (Parts III through VII) for consumer contracts.

The Consumer Protection and Business Practices Act (Bill 55) can be found at <http://docs.legassembly.sk.ca/legdocs/Bills/27L2S/Bill27-55.pdf>. Please refer to pages 20 through 23 for consumer contracts.

Regulation of Consumer Contracts - Consolidation of Discussion Questions

1. Are the notice requirements for any or all of the types of consumer contracts appropriate and necessary?

- Yes, they are fine. No, they don't provide consumers enough information . No, they are too complicated for suppliers.

Explain:

2. In the age of electronic commerce, is it necessary or reasonable for internet and remote contracts to be in writing?

- Yes, it is a necessity. No, the consumer can always print the information. No, the consumer should have a choice.

Explain:

3. Are the cancellation timelines and method of delivery of notices of cancellation for any or all types of consumer contracts appropriate?

- Yes. No, they do not provide enough time for consumers to decide. No, they are too complicated for suppliers.

Explain:

4. Can the requirements for these kinds of contracts be combined, with limited exceptions?

- Yes. Currently, they are redundant. No, they are unique enough to be kept separate.

Explain:

5. Should suppliers in internet sales contracts and remote contracts be required to cancel future pre-authorized payments when those contracts are cancelled by the consumer?

- Yes, all suppliers should be required to cancel those payments.
 No, it is not appropriate to impose that requirement for internet sales contracts or remote contracts.

Explain:

6. Do you have any additional comments or suggestions for improvements to the rules respecting consumer contracts?

Comments:

Confidentiality - Please select one

- I understand that my response is a public document
- Please keep my name confidential
- Please keep my entire response confidential

Submit

Name			
Organization			
Telephone		Email	