

Handbook for online retailers

Simple explanation of legal requirements for
e-commerce

Best practice tips on how to implement the
regulations on your website

Sample texts that are easy to adapt and ready
to use in your online shop

Practical advice and sample texts
for online retailers

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V. Right to Cancel

The right to cancel is a key piece of consumer protection. When buying online consumers are typically not able to examine goods prior to purchase in the same way they are able to do in a 'bricks and mortar' shop. Therefore the Consumer Contracts Regulations in Part 3 give consumers extra protection when buying online. They provide consumers with a statutory right to cancel an order within 14 days. Consumers are entitled to a refund, even if the goods are not defective.

Consumers have a right to cancel and a right to withdraw.

Once the consumer has submitted his order to the retailer, he can withdraw his offer to enter into the contract up to the point the contract is concluded. From that moment onwards the consumer's right to cancel starts.

1 The 'Right to Cancel' in detail

1.1 Cooling off period

After submitting their order online, consumers have a period of time (known as the "cooling off period") during which they are entitled to cancel the contract without having to give a reason.

The cooling off period is **14 days** and is calculated in calendar days. This period begins when the contract is concluded. The end of the normal cooling off period (regulation 30) depends on the type of contract as marked in the table below.

A sales contract is legally defined as a contract under which a trader transfers or agrees to transfer the ownership of goods to a consumer and the consumer pays or agrees to pay the price, including any contract that has both goods and services as its objective.

A service contract is defined by the regulations as a contract, other than a sales contract, under which a trader supplies or agrees to supply a service to a consumer and the consumer pays or agrees to pay the price.

Type of contract	End of cooling off period
Sales contract <ul style="list-style-type: none"> ▪ one order delivered in one delivery 	14 days after the day on which the goods 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
Sales contract <ul style="list-style-type: none"> ▪ multiple goods ordered in one order but delivered on different days 	14 days after the day on which the last good 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

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Sales contract <ul style="list-style-type: none">goods consisting of multiple lots or pieces delivered on different days	14 days after the day on which the last of the lots or pieces came into possession of the consumer or a person, other than the carrier, identified by the consumer to take possession of the goods
Sale contract <ul style="list-style-type: none">regular delivery of goods during a defined period of more than one day	14 days after the day on which the first of the goods 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
Service contract	14 days after the day on which the contract is entered into
Contract for supply of digital content (not supplied on a tangible medium), e.g. download	14 days after the day on which the contract is entered into NOTE: there are circumstances where the right to cancel ceases. See section 4 below.

1.2 Exercising the right to cancel

Under regulation 32 of the Consumer Contracts Regulations, in order to exercise the right to cancel, the consumer must inform the retailer of his decision. There are no specific requirements on how the consumer has to demonstrate his decision to cancel, except that there must be a clear statement. Such a statement could be given by e-mail, by post or phone. However, the burden of proof for having exercised the right to cancel is on the consumer. The consumer could also use the model cancellation form attached to the Consumer Contracts Regulations.

You must provide or make available the model cancellation form to the consumer before the consumer is bound by the contract.

The model cancellation form is below (the section marked in pink requires the retailer to fill in his details).

M16 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 form is notified on paper).

Date

[*] Delete as appropriate.

4 Special provisions for the supply of digital content and services

For the supply of digital content not on a tangible medium and for the supply of services retailers need to be aware that as a general rule the supply of both must not be started before the end of the 14 day cooling off period. To do so the consumer's express consent or request are required.

4.1 Supply of digital content not on a tangible medium

Where the consumer before the end of the cancellation period has given his express consent to start the supply of the digital content and has acknowledged that his right to cancel will be lost, he ceases to have the right to cancel according to Regulation 37(2) and the retailer may start with the supply before the end of the cancellation period.

In other words, 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 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 supply of the digital content during the cooling off period and an acknowledgment that the right to cancel will cease once the supply has begun. Only if the consumer acknowledges this are you allowed beginning the supply.

A suitable text that you can add into your order summary page could be:

M18 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.

Where you supply digital content not on a tangible medium remember to ensure that the e-mail confirmation (see chapter VIII) contains a confirmation of the consent and acknowledgment that the consumer had provided in the shop.

Note: If you started the supply of digital content not on a tangible medium 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 the supply of the digital content, 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 of digital content in the cooling off period.

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

VII. Ordering process

The ordering process plays a crucial part in the online shop. On the one hand retailers should try to keep the process as short and comprehensible as possible to avoid customers abandoning the shopping cart. On the other hand the Consumer Contracts Regulations demand some information to be provided in the course of the ordering process to ensure consumers can make an informed decision before deciding to proceed with their purchase.

As explained in chapter IV, in relation to trading websites, the consumer needs to be informed clearly and legibly about any delivery restrictions and the available payment methods at the latest at the beginning of the ordering process.

1 Order summary

Regulation 14(2) of the Consumer Contracts Regulations requires the retailer to provide the consumer with some of the information that the retailer has to provide before the consumer is bound by the contract (mentioned in Schedule 2) “in a clear and prominent manner, and directly before the consumer places the order”.

This demands an order summary page. On this page you need to provide the information on the main characteristics of the goods or services, the total price inclusive of taxes as well as all delivery charges and any other costs.

Where the order includes a contract of indeterminate duration or a subscription, additionally you need to provide the following information on the order summary page:

- The total costs per billing period or (when such contracts are charged at a fixed rate) the total monthly costs
- The duration of the contract or the conditions for terminating the contract
- The minimum duration of the consumer’s obligation under the contract

2 Order button

Regulation 14(3) of the Consumer Contracts Regulations requires the trader to ensure that the consumer explicitly acknowledges that the order implies an obligation to pay. In an online shop the submission of the order is typically done by means of activating a button. Regulation 14(4) requires the button to be labelled “order with obligation to pay” or similar wording. Trading Standards guidance confirms that a wording such as “pay now” would be suitable.

If you fail to ensure that the consumer explicitly acknowledges that his order implies an obligation to pay, i.e. if you fail to name the button correctly, the consumer will not be bound by the contract or order.

The following example shows how you could provide the order summary information expected by consumers and required by law, together with the properly labelled order button. You are not required to insist that the consumer tick the checkboxes to acknowledge and accept the terms and the right to cancel. However, in the event of a dispute about whether your terms were incorporated into the contract with the consumer or whether the consumer has been informed of the right to cancel, this might help support your position.



1 Shopping cart 2 Registration 3 Address 4 Payment methods **5 Order summary** 6 Order confirmation

I have read and accept the [general terms and conditions](#).
 I have been informed about my [right to cancel](#).

Shipping address [edit](#)

Mr Recipient
Deliverystreet 1
A1 2BC Deliverycity

Billing address [edit](#)

Mr Bill
Billingstreet 2
D3 4EF Billingtown

Payment method [edit](#)

Credit card

Product edit	Unit Price	Quantity	Total
 Product Describe the main characteristics of the goods	GBP 9.99	<i>x2</i>	<i>GBP 19.⁹⁸</i>
 Product Describe the main characteristics of the goods	GBP 24.90	<i>x1</i>	<i>GBP 24.⁹⁰</i>
 Product Describe the main characteristics of the goods	GBP 24.80	<i>x1</i>	<i>GBP 24.⁸⁰</i>
Subtotal			<i>GBP 69.⁶⁸</i>
Delivery costs			<i>GBP 3.⁹⁵</i>
Cost of payment method			<i>GBP 0.⁰⁰</i>
incl. VAT			<i>GBP 12.²⁷</i>
Grand total			<u><i>GBP 73.⁶³</i></u>

Order with obligation to pay

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