

PRACTICE NOTE

Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013

This note sets out guidance on how to comply with the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 (“the Regulations”).

The Regulations will apply to most contracts made between licensed conveyancers and their clients.

The Regulations set out the information that must be provided to clients by licensed conveyancers in relation to contracts made on-premises, off-premises and via distance selling. It is likely that the information licensed conveyancers are required to provide under the Regulations will be included within each practice’s Client Care Letter and Terms of Business, however the information required will depend on how the contract is made and practices should consider the Regulations in detail to ensure that the information provided to clients meets the requirements of the Regulations.

If a contract was entered into off-premises or at a distance the client has a right to cancel the contract, without reason or incurring any liability during the cancellation period.

Most conveyancing transactions will be subject to a 14 day cancellation period, which begins the day after the contract is entered into. The Regulations contain a list of exemptions where the right to cancel is excluded. In most cases these exemptions will not apply to contracts between licensed conveyancers and their clients. However practitioners should refer to the Regulations in order to ascertain whether the exemptions apply.

If licensed conveyancers do not provide clients with the required information regarding the right to cancel the cancellation period will be extended (if the information is provided within 12 months of the contract being made the cancellation period will end 14 days after the information was received by the client, if the relevant information is not provided at all the cancellation period ends 12 months and 14 days after the contract was made). Licensed conveyancers will not be able to enforce contracts against clients who have not been advised of their right to cancel, until notice is provided or until 12 months and 14 days after the contract was created.

Licensed conveyancers can commence work immediately, if a client has made an express request for them to do so before the cancellation period ends. If a licensed conveyancer works on a matter during the cancellation period, at the express request of the client, the client must pay for services provided even in the event that the contract is later cancelled.

To comply with the Regulations licensed conveyancers will need to provide their clients with a notification that if the client expressly requests that the licensed conveyancer commences work within the cancellation period, they will be responsible for paying the reasonable costs of that service.

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