

Business Advice

Distance Selling Regulations

What is Distance Selling?

A distance contract is one for the supply of goods or services where there has been no face to face contact between the consumer and a representative of the business. Common examples include sales by phone, fax, and mail order or via the Internet or TV.

What do the Distance Selling Regulations do?

They give consumers who enter into distance contracts rights in addition to their basic rights under the Sale of Goods Act. In short they are entitled to certain information in writing, to minimum performance standards and the right to cancel within a cooling off period.

How long is the cooling off period?

Subject to the exceptions described below, consumers have an unconditional right to cancel by giving you written notice within 7 days of the day after receipt of the goods.

If you fail to give written confirmation with all the required information then the cooling off period can be extended to a maximum of three months and seven days.

What information must be given to consumers?

You must give clear and reasonable information to consumers in writing before they decide to buy and after they have ordered from you.

Before the transaction you must inform consumers of:

- Your business name and, if payment is required in advance, your postal address.
- A description of the goods and services.
- The price including all taxes and how long the offer or price is valid.
- Delivery charges where applicable.
- Arrangements for payment.
- Arrangements and date for delivery of goods or performance of service.
- The right to cancel the order.

- The cost of any premium rate phone, fax or Internet charges.
- Whether substitute items will be sent if goods are out of stock or unavailable and any costs of returning them.

After the order is received you must provide written confirmation of the above information by letter, fax or e-mail unless it has already been given in permanent written form in a catalogue or advert. This confirmation must be given at the very latest by the time the goods are delivered and must also include:

- When and how to exercise the right to cancel.
- Whether the consumer must return the goods.
- Who is responsible for the cost of returning any goods.
- A geographical address where the consumer can contact you.
- Details of any after-sales services or guarantees.

If you don't specify that your customer must return the goods then they are only responsible for making them available to you and to take reasonable care of them.

What are the exceptions?

The regulations don't apply in business to business transactions. There are a number of consumer contracts which are also exempt including those relating to auctions (including internet auctions).

There are also some partial exceptions:

- The information and right to cancel provisions do not apply to accommodation, transport, catering, leisure services, timeshare, food and drink or some goods for everyday consumption.
- The right to cancel does not apply unless both parties agree to it for personalised goods, goods made to customer specification, perishable goods, unsealed audio, video or software, newspapers or magazines, betting, gaming or lotteries, services that begin before the end of the cooling off period or goods or services with a price dependent on financial market fluctuations.

When do the goods have to be delivered by?

Unless otherwise agreed, within 30 days beginning with the day after the consumer sent the order.

If you cannot meet this deadline then you must refund the consumer within 30 days unless they agree to a revised date.

If goods are sent unsolicited it is an offence to demand payment and the consumer is under no obligation to return the goods or to keep them safe.

What happens to businesses if they don't comply with the distance selling rules?

The regulations are enforced by local trading standards departments and the Office of Fair Trading who can apply for an injunction against businesses who don't comply.

Please note:

This advice is designed to provide basic guidance to consumers and traders. It is **not** a complete or authoritative statement of the law for further information contact your local area Trading Standards Office or visit The Distance Selling Hub <http://dshub.tradingstandards.gov.uk/>

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