

Direct Sellers Harmonization

Absolute cancellation right

- 1 A consumer has an absolute right to cancel a direct sales contract at any time from the date of entering the contract until 10 days following the day on which:
- (a) the consumer receives a copy of the written contract; or
 - (b) where a province or territory does not require a written contract, the consumer receives a statement of cancellation rights;
- from the direct seller.¹

Extended cancellation in certain circumstances

- 2(1) Subject to section 3, a consumer may cancel a direct sales contract within one year of the date of entering the contract where the direct seller did not comply with legislative or regulatory requirements respecting:
- (a) licensing or registration, including financial security requirements or conditions on his or her licence or registration, at the time the contract was made; or
 - (b) either:
 - (i) content of the contract as prescribed in section 6; or
 - (ii) where a province or territory does not require a written contract, content of the statement of cancellation rights as prescribed in section 8.

Subject to subsection (4) and to section 3, a consumer may cancel a direct sales contract within 1 year from the date of entering the contract where the direct seller does not:

- (a) supply the goods within 30 days of the supply date specified in the contract or amended supply date agreed upon in writing by the consumer and direct seller; or
 - (b) begin the services within 30 days of the commencement date specified in the contract or amended commencement date agreed upon in writing by the consumer and direct seller.
- (3) Breaches of administrative requirements (such as late notice to the registrar of a change in address) that do not affect consumer interests do not trigger extended cancellation rights.
- (4) Where the consumer accepts delivery after the 30 day period mentioned in subsection (2) has expired, the consumer gives up his or her right to cancel the contract pursuant to subsection (2)

¹ "Direct seller" in this document refers to the vendor or company.

Other rights not affected²

3. These provisions do not affect any other remedy or right the consumer may have at law in the province or territory in which the consumer resides.

Method of cancellation

- 4(1) A notice of cancellation is adequate if, however expressed, it indicates the intention of the consumer to cancel the contract.
- (2) Where a consumer cancels a direct sales contract, the consumer shall send or deliver the cancellation notice to the direct seller using a method whereby the consumer can provide evidence he or she cancelled the contract and the date on which this occurred, including but not limited to registered mail, fax or personal delivery.
- (3) Where a method of sending or delivering the cancellation notice other than personal delivery is used, the cancellation is deemed to be given when sent.

Responsibilities on cancellation

- 5(1) Where a direct sales contract is cancelled, the direct seller shall, within 15 days of the cancellation refund to the consumer all money and return to the consumer any trade-in or an amount equal to the value of the trade-in received under the contract.
- (2) In the case of a contract respecting goods, the consumer shall, upon receiving the refund and return of the trade-in, or an amount equal to the value of the trade-in, return the goods to the direct seller.
- (3) The value of the trade-in mentioned in subsection (1) shall be the greater of:
 - (a) the market value of the goods when taken in trade; or
 - (b) the price or value of the goods as set out in the direct sales contract.

Content of contract

- 6(1) A written contract shall include:
 - (a) the consumer's name and address;
 - (b) the direct seller's name, business address, telephone number and, where applicable, fax number;
 - (c) where applicable, the salesperson's name (printed);
 - (d) the date and place of the contract;
 - (e) a description of the goods or services, sufficient to identify them;
 - (f) a statement of cancellation rights that conforms with the requirements of section 7;
 - (g) itemized prices of the goods or services, or both;

² Provinces agreed on a 1 year extended cancellation right in section 2. However, under Quebec's Consumer Protection Act, there is a 3 year right to base an action on those grounds and to ask the court to rescind or annul a contract. Harmonization cannot alter this remedy which is in harmony with Quebec's Civil Code. In addition, this provision ensures that obligations, rights and remedies under other legislation (e.g., product warranties) in any province remain in effect.

- (h) the total amount of the contract;
 - (i) the terms of payment;
 - (j) in the case of a contract for the future delivery of goods, future provision of services or goods together with services, the delivery date for the goods or start date for the services or both;
 - (k) in the case of a contract for the future provision of services or goods together with services, the completion date for supplying the services or the goods together with services;
 - (l) subject to subsection (2), where credit is extended:
 - (i) a statement of any security taken for payment; and
 - (ii) the cost of credit (in accordance with provincial cost of credit disclosure legislation);
 - (m) where goods are taken in trade, a description of and the value of the trade-in;
 - (n) the signatures of both parties.
- (2) Where credit is extended or arranged by the direct seller and the credit contract is separate from or attached to the direct sales contract, the credit contract is conditional on the direct sales contract and where the direct sales contract is cancelled, that cancellation has the effect of cancelling the credit contract.

Statement of cancellation rights

-) A statement of cancellation rights shall:
 - (a) contain the words specified in the attached schedule;
 - (b) show the heading in not less than 12 point bold type;
 - (c) show the statement of 10 day cancellation rights in 12 point type; and
 - (d) show the remainder of the information in not less than 10 point type.
- (2) Where the statement of cancellation rights is not on the face of the contract, there is to be a notice on the face of the contract, in not less than 12 point bold type, referring to the location of the statement of cancellation rights.
- (3) Where the statement of cancellation rights is a separate document from the contract, the statement shall include the direct seller's name, business address, telephone number and, where applicable, fax number

SCHEDULE

The following is to appear in each statement of cancellation rights:

"BUYER'S RIGHT TO CANCEL

You may cancel this contract from the day you enter the contract until 10 days after you receive a copy of the [contract/statement of cancellation rights]. You do not need a reason to cancel.

If you do not receive the goods or services within 30 days of the date stated in the contract, you may cancel this contract within one year of the contract date. You lose that right if you accept delivery after the 30 days. There are other grounds for extended cancellation. For more information, you may contact your provincial/territorial consumer affairs office.

If you cancel this contract, the seller has 15 days to refund your money and any trade-in, or the cash value of the trade-in. You must then return the goods.

To cancel, you must give notice of cancellation at the address [below/ in this contract]. You must give notice of cancellation by a method that will allow you to prove that you gave notice, including registered mail, fax, or by personal delivery.

[ADDRESS FOR NOTICE - include name, business address, phone and, if applicable, fax number if this statement of cancellation rights is a document separate from the contract]

December 7, 1995

Saskatchewan Justice
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