

CONSUMER PROTECTION FOR THE MODERN MARKETPLACE



Discussion Paper: Consumer Contracts

September 2022



Ministry of
Public Safety and
Solicitor General

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Introduction

The British Columbia Ministry of Public Safety and Solicitor General (the Ministry) is reviewing a number of B.C.'s consumer protection laws. The purpose of the review is to determine whether the laws reflect practices in the modern marketplace and continue to maintain a good balance between safeguarding consumers and minimizing unnecessary regulatory burden or added costs for businesses.

It is important to do this work now because the marketplace has changed significantly since B.C.'s main consumer protection law – the *Business Practices and Consumer Protection Act* (the Act) – was passed almost 20 years ago. Technologies, business practices, consumer behaviours and the types of products and services on the market have changed during this time and the recent COVID-19 pandemic has resulted in new ways of doing business.

B.C.'s population has also changed, with more seniors and individuals who do not speak English as a first language or have arrived from other countries with different cultures or laws.

Public Survey

To start the review process, in Spring 2022 the Ministry launched a public "B.C. Consumer Experiences" Survey on the government's citizen engagement website, [govTogetherBC](https://govtogetherbc.ca). In the survey, British Columbians were asked about their experiences buying products and services from businesses, including motor vehicles, and about credit-related products and services such as credit reports. A report on the survey results has been released and can be viewed at:

https://engage.gov.bc.ca/govtogetherbc/impact/bc_consumer_experiences_results/

Stakeholder Consultations

The Ministry is now embarking on the next phase of its consumer protection law review. This phase will involve consultations with stakeholder organizations to identify and substantiate any gaps or other problems in B.C.'s consumer protection laws and to seek feedback on ideas for improving the laws. This paper organizes potential changes into six categories. The consultations will focus on potential changes to the *Business Practices and Consumer Protection Act* relating to:

- ❖ Pre-purchase contract transparency
- ❖ Contract content rules
- ❖ Contract modifications and renewals
- ❖ Accountability
- ❖ Direct ("door-to-door") sales

❖ Remedies

Information on these topics and questions for stakeholder feedback are provided in this discussion paper. The paper is being distributed widely, and the Ministry is interested in receiving input from a broad range of stakeholder groups including consumer advocacy organizations, advocates for vulnerable people, Indigenous organizations and groups representing business and industry.

Your feedback is important! You are encouraged to share your organization's views about changes to consumer protection laws being considered by the Ministry, as well as any other consumer protection issues that may be of concern to your organization. Your comments will help the Ministry create proposals to update the *Business Practices and Consumer Protection Act*.

You may participate by reviewing this discussion paper and responding to the questions in it. You may limit your response to those questions you wish to provide feedback on (please include examples or evidence to support your responses where possible). A summary of questions is found in Appendix 1 of this paper. In addition to responding to the questions in this paper, you may also provide additional comments if you wish to do so.

Please email your responses, and any additional comments you may have, to the Ministry at consumerprotectionreview@gov.bc.ca. They can also be mailed to the Ministry at the following address:

Ministry of Public Safety and Solicitor General
Cannabis, Consumer Protection and Corporate Policy
P.O. Box 9283 Stn Prov Govt
Victoria, BC
V8W 9J7

Please submit your comments by October 21, 2022.

When sending the comments, please provide:

- ❖ The name of the organization you are representing, and a brief description of its mandate
- ❖ Your name, title and contact information including an email or mailing address and a phone number, and,
- ❖ Information about the relative importance to your organizations of any suggestions, if possible.

Scope of Review

The *Business Practices and Consumer Protection Act* applies to business-to-consumer transactions only and does not capture some types of transactions that are governed by other legislation. As a result, the proposals in this discussion paper do not capture:

- ❖ Transactions between individuals who are not businesses (e.g., an individual buying something from another person who is not a business on Facebook Marketplace or Craigslist)
- ❖ Business-to-business transactions (e.g., a retail business purchasing goods from a manufacturer or wholesaler for sale to its customers, or a business buying office supplies from another business)
- ❖ Real estate transactions or tenancies
- ❖ Insurance products or services
- ❖ Motor vehicle sales or leases – these will be the subject of a future consultation.

Please also note that the items identified in this discussion paper are the first phase of proposals that the Ministry would potentially develop into proposed legislation to amend the *Business Practices and Consumer Protection Act*. The ministry will be conducting separate consultations at a later date on proposals regarding credit-related products and services, and on motor vehicle sales or leases.

Any proposed amendments would not come into effect unless the Legislative Assembly of British Columbia passes a bill and government approves supporting regulations, if necessary.

Privacy Notice

All written submissions received from stakeholder organizations in response to this Discussion Paper will be considered public information and may be used, disclosed, and published by the Ministry. The content of a submission will be considered as reflecting the views of the stakeholder organization on behalf of which it is submitted, unless otherwise noted.

Other than the contact information requested above, please do not include information in written submissions that would allow someone to be personally identifiable.

Consumer Protection Laws

The Ministry is responsible for several consumer protection laws. *The Business Practices and Consumer Protection Act* is B.C.'s overarching consumer protection statute and applies to a broad range of consumer transactions. However, there are also laws that regulate consumer transactions in specific sectors. The Province of B.C. has delegated responsibility for enforcing these laws to [Consumer Protection BC](#) and the [Vehicle Sales Authority of British Columbia](#). These organizations license certain sectors, receive, and investigate consumer complaints, and take enforcement actions when appropriate. The Ministry is responsible for the development of consumer protection policy and legislation.

You do not need to be familiar with consumer protection laws to respond to the proposals in this Discussion Paper. However, a summary of consumer protection laws and links to those laws are found in Appendix 2 if you would like more information.

Pre-Purchase Contract Transparency

Background

Under the *Business Practices and Consumer Protection Act*, some types of contracts must be in writing, either in electronic or paper format. This includes distance sales contracts, future performance contracts including continuing service contracts, and direct sales contracts.

The Act sets out rules about when written contracts must be given to consumers. The rules vary depending on the type of contract, but in most cases the written contract does not have to be shared with the consumer before they commit to it.

Some types of contracts must be provided to consumers at the same time that they enter into them (direct sales and time share contracts, and funeral contracts relating to already-deceased individuals), while others must only be shared within 15 days of entering into the agreement (future performance contracts including agreements for future funeral and cemetery/interment services). For distance sales contracts, the rules are unique. Specified contract terms must be shared with consumers **before** they commit to the contract, and they must be given an express opportunity to accept or decline the contract and to correct any errors in it. Once the consumer has entered into the contract, a copy of it, including the consumer's name and date, must be provided within 15 days.

While the pre-purchase contract transparency rules for distance sales are more robust than for other types of contracts, there can still be challenges – particularly in the online environment. Sometimes, consumers considering online purchases are presented with information about contract terms in a manner that is difficult to piece together – for example, in multiple links to other webpages. “Drip pricing” is also common, with new charges and fees being added piecemeal at different stages of the online transaction and consumers being unable to see the total “all-in” price for a product or service upfront in the offer.

The pre-purchase contract transparency rules under the *Business Practices and Consumer Protection Act* apply to a “supplier”. That term is defined broadly to mean anyone who, in the course of business, participates in a consumer transaction including by offering, advertising or promoting the transaction to a consumer. When a business designs its own online platform for selling its products and services through distance sales, the pre-purchase transparency rules under the Act apply to the business. However, there may be confusion about how the rules apply when businesses use **other** platforms that they do not control to sell their products and services. There has been a proliferation of online platforms that facilitate sales by third-party businesses (for example, Amazon and eBay). Although the pre-purchase transparency rules apply to all “suppliers”, and the broad

definition of that term would capture these platforms, there can sometimes be confusion about whether it is the business, the platform, or both that are responsible for following pre-purchase transparency rules.

Finally, many businesses now offer promotional or introductory rates to consumers, promising reduced costs or free services for a prescribed period. Pre-purchase disclosures about when the promotion expires, how prices of goods and services will change when the promotion ends, and conditions to qualify for the promotion are not explicitly required under the *Business Practices and Consumer Protection Act*. Consumers may enter into a contract without understanding this information and be surprised later when the promotional or introductory price expires, and they are charged higher prices.

Proposals

It is important for consumers and businesses to be clear on what they are agreeing to do *prior* to making a contract commitment. Therefore, the Ministry is considering ways to improve pre-purchase contract transparency. This could include changes to the Act that:

1. Strengthen pre-purchase transparency for *all* written contracts under the *Business Practices and Consumer Protection Act* by:
 - ❖ Requiring businesses to provide consumers with contracts before they enter into them, and to make consumers aware of this right. Contracts would need to be provided within a reasonable amount of time and without any condition of purchase so that consumers have an opportunity to review them and ask questions. Consumers would need to be provided with an express opportunity to accept or decline the contract, and to correct errors before they commit to it.
 - ❖ Alternatively, businesses could be required to provide consumers with information about key contract terms and conditions in advance of entering the contract, regardless of what type of contract it is.
2. Improve pre-purchase transparency specifically for online contracts, by:
 - ❖ Requiring businesses to present key contract terms *all together in one place* immediately before the consumer is provided with the opportunity to accept or decline the contract. Other contract terms that are not considered “key” would still have to be shown at some point before the consumer commits to the contract but would not need to be presented along with the key terms – rather, they would just need to be accessed by, or accessible to, consumers (e.g., through links to other webpages) before they accept or decline the agreement.
 - ❖ Clarifying what comprises the total “all-in” price that businesses must disclose to consumers prior to entering the contract, including all mandatory charges and

amounts charged by third parties. Where there are additional charges that may apply but the amounts can't reasonably be determined at the time the contract is made, the business must also provide a description of those, along with an explanation of how the amounts will be determined or calculated.

The Ministry is also considering whether changes to the *Business Practices and Consumer Protection Act* are needed so that online platforms facilitating sales by third-party businesses have specific pre-purchase transparency responsibilities – for example, a responsibility to facilitate compliance with pre-purchase transparency rules by the third-party businesses that are using the platform.

Implications

Both consumers and businesses could benefit from strengthened pre-purchase contract disclosure rules. For consumers, it would mean increased transparency, an opportunity to review key contract terms upfront and only commit to contracts when they are ready, and to shop around for the best terms and promotions. These benefits should be balanced with the potential for inundating consumers with too much information, which could make purchasing processes overly complex and burdensome, and the possibility of consumer confusion if contract terms are not all disclosed at the same time and in the same location.

While businesses may be concerned about the practicality and potential costs of providing advance copies of contracts or key contract terms, and of providing key contract information in one place for online contracts, they may also benefit because consumers who have an early opportunity to understand what they will be agreeing to, including their own obligations under the contract, may be less likely to have disputes with businesses once contracts have been entered into.

Any new requirements specifically for online platforms that facilitate sales by third-party businesses could result in added costs for platforms.

Discussion Questions

1. If government required businesses to provide full copies of contracts to consumers prior to purchase, what would be the impacts for consumers and businesses? Are there certain types of contracts that should be exempt from this requirement?
2. Alternatively, if government required businesses to provide consumers with key contract terms prior to purchase, what would be the impacts for consumers and businesses? Are there certain types of contracts that should be exempt from this requirement?
3. Which of these proposals (#1 or #2 above) do you believe is preferable, or neither?

4. What types of contract terms are most important for consumers to know upfront, before they commit to a written contract, including an online contract? Please rank in priority order:
- Total price displayed in a manner that is more prominent (e.g. larger font size) than that for other price-related information
 - Price and payment-related information (e.g., total price, itemized list of price components, additional charges that may apply, method and terms of payment such as any periodic payments)
 - Detailed description of the product or service
 - Information about when the product or service will be supplied or completed (e.g., delivery date for a product, period of time over which services will be provided)
 - Information about the business (e.g., name, contact information)
 - Information about the length of the contract
 - Information about how the contract can be renewed or terminated
 - Promotional offers (e.g., conditions to qualify, how long the offer is valid, what happens when it expires)
 - Information about returns, exchanges, and refunds
 - Information about credit (e.g., the cost of credit if the product or service is being purchased using credit, any security interests given)
 - Trade-in information
 - Restrictions, limitations, conditions (e.g., age restriction for obtaining certain products, any technical requirements to use a product or service such as minimum internet speed)
 - Other (please specify)
5. Should platforms that facilitate sales by third-party businesses be required to comply with the same pre-purchase transparency rules as the businesses that are using the platforms to sell products and services to consumers? Or be required to take steps to ensure that the businesses using their services are following these rules?
6. Do you have any other comments or feedback on pre-purchase contract transparency?

Contract Content Rules

Background

For contracts that have to be in writing under the *Business Practices and Consumer Protection Act*, not only does the legislation describe *when* a contract must be provided, it also has rules about the *content* of the contract. If those rules are not followed, the consumer has a limited time to cancel the contract.

The contract content rules have not been updated for several years. Since they were made, the market has become increasingly complex, with new ways of communicating and purchasing, and new types of goods and services. Sometimes, when consumers have an opportunity to read through their contract, they may find that the terms included in it do not provide sufficient information to fully inform them of their rights and obligations or those of the business they are dealing with.

In addition, the contract content rules can also be confusing for businesses and their customers because there are differences depending on the type of contract that is being entered into. For example, it is important that consumers know about any technical requirements that could affect the proper functioning of the product they are purchasing, such as the minimum electrical service needed to operate a heating or air conditioning system properly. It is also important for key contract terms to be presented in a clear and comprehensible way that consumers can understand. Yet under the current legislation these rules only exist for distance sales contracts, not other types of contracts.

Further, some of the current contract content rules in the *Business Practices and Consumer Protection Act* may be outdated and difficult to comply with in the modern marketplace. For example, a contract for future services, such as career coaching, is a future performance contract and must include the date on which the supply of the goods or services will be completed. However, it may be difficult for a business to comply with this requirement when it is up to the consumer to determine when they will make their appointments, which in turn impacts when the services can actually be delivered and completed. Moreover, all contracts must include business fax numbers if available but with evolving communication technologies the use of faxes has declined substantially.

The *Business Practices and Consumer Protection Act* does not make it mandatory for a written contract to include information about how it is renewed. Businesses must include information notifying consumers about their contract cancellation rights under the Act (e.g., the right to cancel if a copy of the contract is not provided within specified timelines) but this rule only applies to some types of contracts. Only distance sales contracts are clearly required to describe termination rights beyond those existing under the Act (e.g., business-specific cancellation policies).

Proposals

The Ministry is considering changes to contract content rules to ensure that businesses and consumers are clear on their contractual rights and obligations, and that the rules reflect practices in the modern marketplace. The changes would apply to contracts that have to be in writing under the *Business Practices and Consumer Protection Act*. The changes could include:

1. Improving consistency between the rules for different types of written contracts, by requiring ***all*** categories of contracts to:
 - ❖ Describe how the contract may be renewed, and how it may be cancelled (whether under the *Business Practices and Consumer Protection Act* cancellation rights, or otherwise).
 - ❖ Identify any technical or system specifications that have to be met to be able to use a product or services (e.g., Internet speed required for streaming services).
 - ❖ Present key contract information in a “clear and comprehensible manner”. Requirements could be established regarding what is considered to be a “clear and comprehensible manner” – for example, a requirement that certain information has to appear at the top of the contract, must be in a large font, and must be separate from other information so it is more prominent.
2. Updating the legislation to:
 - ❖ Increase flexibility in the type of business contact information that must be included in contracts, so that the rules can be easily changed as communications technologies evolve – most businesses may currently use email to communicate with their customers, but this could change in the future.
 - ❖ Change or clarify the requirements for including the date when the supply of goods or services will be complete in future performance contracts.

Implications

Updating contract content rules can benefit consumers by ensuring they have the information they need to understand their contractual rights and obligations and to communicate with businesses if necessary.

Although revised rules could require some businesses to change their paper and online forms, using modernized contracts could result in better-informed consumers, create more certainty for businesses and improve business-customer relationships.

The introduction of additional required information in contracts could have financial impacts for businesses if they fail to understand their obligation and do not disclose this information, as this can trigger consumer cancellation and refund rights under the Act.

Discussion Questions

1. What would the potential impacts be for consumers and businesses if new rules were introduced requiring key written contract terms to be presented in a “clear and comprehensible manner”?
2. What should be considered “key terms” that must be included in all written contracts under the Act when copies are provided to consumers who have committed to them (e.g., price, payment terms, product description, other)? Please list.
3. Is it important for all contracts that must be in writing under the Act to include information about:
 - o How the contract can be renewed, if applicable? Why or why not?
 - o How the contract can be cancelled, whether under the Act or otherwise? Why or why not?
 - o Any penalties for cancellation? Why or why not?
4. Should there be exceptions to the rule that a completion date for the supply of goods or services must be included in a future performance contract?
5. Do you have any other comments or feedback on contract content rules?

Contract Modifications and Renewals

Background

As the marketplace has evolved, contract terms which give businesses more control and restrict or limit consumers' rights are becoming more prevalent. Consumers often check a box accepting the contract without realizing they are agreeing to terms that may allow the business to make unilateral modifications to, or automatically renew, existing agreements. An example of these contract terms is as follows: *"The business reserves the right to change these terms and conditions from time to time subject to notifying you of the changes. You shall be deemed to have accepted the amended terms and conditions by continuing use of the service."*

Unilateral contract modifications and renewals may improve convenience for the consumer - for example, if the changes are beneficial to the consumer (e.g., price reduction) or the consumer does not want to have to take steps to renew a contract they would like to retain. However, they may also lead to undesired changes, unexpected fees, or difficulty terminating contracts for unwanted goods or services.

The *Business Practices and Consumer Protection Act* does not currently contain any specific provisions governing contract modifications. Further, the *Act* does not contain rules regarding contract renewals¹.

Other Canadian jurisdictions have recognized these issues and prohibit contract renewals or contract modifications unless certain criteria, such as providing notification, are met. The intent of these rules is to balance a business's ability to make changes or renew a contract with a consumer's ability to end the contract, if desired.

Proposals

The Ministry is considering changes to ensure that contract modifications and contract renewals occur in a way that is convenient and fair for both the business and the consumer, by:

Automatic Contract Renewals

1. Invalidating contract terms that allow the business to automatically renew contracts unless certain prescribed requirements are met. Those requirements could include:
 - ❖ Requiring the business to notify the consumer in advance of the contract expiration or renewal, to provide an opportunity for the consumer to reject the automatic renewal without penalty.

¹ With the exception of continuing services contracts, which are limited to fitness-related and travel club services.

- ❖ Setting a maximum duration for which a contract can be automatically renewed.

Unilateral Contract Modifications

2. Invalidating contract terms that allow the business to unilaterally modify contract terms unless certain prescribed requirements are met. Those requirements could include:
 - ❖ The contract must identify what elements of the contract may be changed.
 - ❖ If the proposed change negatively impacts the price, quality, quantity, or other key characteristics of the contract, require businesses to provide consumers with advance notification of the change and the option of cancelling the agreement, without penalty.
 - ❖ If the proposed change does not impact a key characteristic of the contract, require businesses to provide consumers with advance notification of the change, including the date on which the change becomes effective.
 - ❖ Permitting contract changes that do not increase the consumer's obligations or reduce the business's obligations to the consumer (i.e., decrease in price, increase in services) without a requirement for notification.

Implications

Prohibiting terms that allow unilateral contract modifications and automatic contract renewals unless certain requirements are met will increase certainty for consumers while reducing limitations and barriers for consumers who wish to cancel contracts that are no longer desired. However, consumers may find it burdensome to be notified of contract changes that they consider to be trivial.

New rules on contract changes and renewals could contribute to revenue uncertainty for businesses and require operational changes and related costs since written contracts and customer notification programs may need to be updated.

Discussion Questions

1. Automatic Contract Renewals

- 1.1 If a contract enables a business to automatically renew the contract, should the business be required to give the consumer notice prior to the renewal and offer the consumer the right to cancel? What impacts would there be for businesses and consumers?

1.2 If after receiving the notification the consumer does not wish to renew, should the consumer have to cancel within a defined period of time, or should they be able to cancel the contract at any time?

1.3 After the contract has automatically renewed, should a consumer be able to cancel the contract at no cost to the consumer?

1.4 If advanced notice is required, what is the minimum amount of notice that should be given about the contract expiry and renewal date: 7 days, 30 days, 60 days, 90 days, or another period of time?

1.5 Should there be a limit on the term of an automatic renewal? If so, what should the limit be?

1.6 Do you have any other comments or feedback on automatic contract renewals?

2. Unilateral Contract Modifications

2.1 When a contract provides for unilateral modifications, should businesses be required to notify consumers of any contract change that occurs during the term of the contract, regardless of the type of change, or only for key changes? What would the impacts on businesses and consumers be if a notification requirement was established?

2.2 What types of contract modifications are most important for businesses to notify consumers of? Examples could include:

- Type, quality or quantity of goods or services
- Pricing including fees and other costs payable by consumers
- Delivery or shipping methods
- Supplier's business contact information (address, phone number, email)
- Any other restrictions, limitations or other terms or conditions that may apply to the supply of the goods or services
- The date(s) on which delivery, commencement of performance, ongoing performance and completion of performance are to occur
- Cancellation, exchange, and refund policies
- Other: please specify

- 2.3 If a contract modification does not increase the consumer's obligations or reduce the business's obligations to the consumer (e.g., price decrease), should it be permitted without any requirement for notification?
- 2.4 If a business provides advance notice and the consumer does not like the modification, should the consumer be able to cancel the contract at any time after receiving the notice at no cost? Should the ability to cancel only be provided for modifications to key terms?
- 2.5 Do you have any other comments or feedback on unilateral contract modifications?

Accountability

Background

Sometimes businesses include terms in their contracts requiring consumers to refer disputes to arbitration or other private dispute resolution mechanisms or restricting consumers' rights to start or join class action lawsuits.

Typically, consumer disputes involve low-value claims and the costs of arbitration can far exceed any compensation a consumer would expect to receive. The inclusion of an arbitration clause can therefore discourage legal action, allowing businesses to avoid accountability for wrongdoing.

Class actions are one method where similar low-value claims can be argued together, lowering the legal costs for claimants. However, some businesses include contract terms that prevent class actions from commencing. Again, the effect is to avoid accountability for wrongdoing.

Recent court decisions have raised concerns over the use of arbitration clauses and class action waivers in contracts and stated that legislatures are responsible for choosing whether to restrict their use. Some provinces, including Alberta, Saskatchewan, Ontario, and Québec, have passed legislation prohibiting or invalidating these types of terms in consumer contracts.

In addition, terms that require disputes be referred to arbitration or other private dispute resolution mechanisms or that restrict rights to start or join class action lawsuits can also be found in business-to-business contracts. Businesses experience limitations that are similar to consumers when trying to resolve disputes.

Another barrier consumers experience is a lack of awareness of the law. The *Business Practices and Consumer Protection Act* provides a variety of protections to consumers (e.g., cooling off periods, refund rights). To further protect consumers, the Act voids contract provisions that purport to waive or release a consumer's protections under the Act. However, consumers may not always be aware of these protections and assume that the contract provisions are binding on them.

Another emerging issue is that businesses are sometimes asking their customers to agree to contract clauses prohibiting them from publishing negative reviews and in some cases imposing financial penalties on customers who do so.

Proposals

Access to Justice

1. The Ministry is considering changes that would protect consumers' access to justice by:

- ❖ Invalidating, or invalidating and prohibiting, any requirement that obliges the consumer to refer a dispute to arbitration or other private dispute mechanism.
- ❖ Invalidating, or invalidating or prohibiting, contract terms that purport to restrict a consumer's right to commence or join a class action legal proceeding.
- ❖ Extending the above protections to non-consumers (i.e., businesses) when the value of the claim is below a specific threshold (e.g., \$5,000).
- ❖ Prohibiting any terms in a consumer contract that purport to restrict or waive rights provided under the *Business Practices and Consumer Protection Act* (this is in addition to existing protections under section 3 of the Act that void waivers). As an alternative, require that it be clearly indicated (in a way that is easily understood) that the restriction or waiver does not apply in B.C.

Publishing business reviews

2. The Ministry is considering changes that would protect consumers' ability to publish business reviews, by overriding contract terms that bar consumers from publishing business reviews or that allow businesses to impose additional charges on consumers for doing so.

Implications

Addressing contract terms that restrict access to justice helps consumers and businesses who wish to seek legal recourse when they have a dispute regarding a transaction. It also improves access to justice for consumers and businesses with low-value claims, by offering a cost-effective way to seek redress for contract issues.

Changes to protect consumers' rights to review businesses promotes accountability and better business practices. Businesses may have concerns about the fairness of negative reviews and the potential financial impacts of those. Remedies for defamatory statements would continue to be available for businesses to pursue.

Discussion Questions

1. Access to Justice

- 1.1 How would invalidating, or invalidating and prohibiting, any requirement that obliges the consumer to refer a dispute to arbitration or other private dispute mechanism impact consumers and businesses?
- 1.2 How would confirming consumers' abilities to commence or join a class action, despite any contract terms that purport to restrict that right, impact consumers and businesses?

- 1.3 Government is considering whether protections for access to justice should apply not only to contracts between consumers and businesses, but also to business-to-business contracts where the value of the claim is small. What are your views on the potential impacts of such changes? What would an appropriate threshold be?
- 1.4 What are your views on the potential impacts of prohibiting any terms in a consumer contract that purport to restrict or waive rights provided under the *Business Practices and Consumer Protection Act*?
- 1.5 As an alternative, what are your views on requiring a business to indicate in a clear and comprehensible way that terms that restrict or waive consumer rights do not apply in B.C.? What are the potential impacts of such a requirement?
- 1.6 Do you have any other comments or feedback on access to justice?

2. Publishing Reviews

- 2.1 How would a change to the *Business Practices and Consumer Protection Act* that invalidates, or invalidates and prohibits, contract terms that prohibit consumers from writing fair business reviews, or penalizes them for doing so (e.g., additional fees/charges), impact businesses and consumers?
- 2.2 Do you have any other comments or feedback on publishing reviews of businesses?

Direct Sales

Background

Direct selling – often referred to as “door-to-door” sales – is the business of selling goods and services at a location other than the seller’s permanent place of business.

The *Business Practices and Consumer Protection Act* currently regulates what information must be included in a direct sales contract and requires sellers to provide consumers with a copy of the contract at the time the consumer agrees to the sale. Consumers have a legal right to cancel a direct sales contract without reason for up to 10 days after signing the contract (referred to as a “cooling off period”) or for up to 1 year if the seller does not meet certain contract disclosure requirements or provide the goods or services within a certain time.

As other provincial jurisdictions have increased regulation of this sector through licensing requirements and prohibitions on the sale of many products, British Columbia has seen an increase in complaints regarding direct sales, in particular in relation to certain high dollar value goods, for example, home heating and cooling systems, windows, and energy contracts. Consumers cite a failure to disclose, or the false disclosure of, material aspects of the contract including whether it is a lease or sale, associated service fees, buyout restrictions, and availability of government rebates, all of which can result in significant financial harms in the case of high dollar value purchases.

Where consumers agree to purchase goods under credit agreements, they can find themselves locked into loans with high levels of interest and with liens placed against their homes without their knowledge.

In some cases, direct sellers are also taking advantage of current provisions in the *Consumer Contracts Regulation* that allow them to avoid contract disclosure requirements for direct sales contracts. Currently, a seller is exempt from direct sales rules if they attend the residence of a consumer at the suggestion of a friend or relative of the consumer. Some companies have used this exception to engage in door-to-door sales via a neighbour’s recommendation.

Proposals

The Ministry is considering changes to strengthen consumer protections against door-to-door sales practices that can have significant financial impacts for consumers. Changes could include:

1. Prohibiting the direct sale of certain household products and services similar to those restricted in other provinces. Alternatively, consideration could be given to providing a maximum value for direct sales contracts and/or prohibiting credit agreements from being entered into through a direct sale.

2. Requiring suppliers who enter into direct sales contracts to obtain a licence, maintain a business address in BC, and meet business operating requirements similar to other licensed sectors under the *Business Practices and Consumer Protection Act*. Licensing direct sellers could impose additional regulatory requirements on those who engage in this form of sale. These include:
 - Submitting information about the business (i.e., on all directors, officers, and partners).
 - Submitting a copy of standard contracts or agreements that meet all the legislative requirements.
 - Maintaining records for a certain period of time.
 - Completing a criminal record check or police information check.
 - Providing security where contracts involve prepayment for the future delivery of goods and service.
 - Payment of an annual licensing fee.
 - Prohibiting a person from entering into a direct sales contract without a licence.
3. Removing the existing exemption from direct sales rules where a seller attends the residence of a consumer at the suggestion of a friend or relative of the consumer.

Implications

Strengthening contract disclosure requirements, removing the general exemption from direct sales rules in the case of referrals, prohibiting direct sales of certain high dollar value products and services, and licensing direct sellers would increase protection for vulnerable consumers.

While direct sellers who earn a living from the sale of particular products that become banned would be impacted, consumers and businesses would continue to be able to complete transactions for these types of products through other means (e.g., calling the company, visiting their store or going to their website).

Discussion Questions

1. What impacts would a prohibition on direct sales or a requirement to be licensed have on businesses that offer these types of household products or services?
2. If BC were to prohibit the direct sale of certain goods and services, which of the following should be prohibited?
 - Furnaces
 - Duct cleaning services
 - Air conditioners

- Air cleaners
- Air purifiers
- Home security systems
- Water heaters
- Water treatment devices
- Water purifiers
- Water filters
- Water softeners
- Windows
- Energy audits
- Other (please specify)

3. What are your views on placing a maximum dollar value limit on *all* direct sales contracts instead of a prohibition on certain products? If so, what should that dollar value limit be?
4. Should direct sellers be restricted or prohibited from offering consumers credit to finance the purchase of goods or services?
5. What would be the impact of removing the direct sales exemption for friend and family referrals?
6. Which of the proposed changes do you think would best address the issues that some consumers are experiencing?
7. Do you have any other comments or feedback on direct sales?

Remedies

Background

Consumers frequently report frustration when trying to resolve an issue with a good or service that they have purchased or leased. Improving the transparency for refund policies and clarifying laws that govern vouchers and credits may be beneficial to both consumers and businesses.

Refunds

Under the *Business Practices and Consumer Protection Act*, refund obligations are triggered when a consumer cancels certain types of contracts for reasons allowed under the Act. For example, consumers have a right to cancel a distance sales or future performance contract if it does not meet the Act's contract content requirements. In general, where the Act specifically provides a cancellation right, businesses must provide a full refund to the consumer within 15 days of the cancellation.

Businesses are free to establish their own refund policies beyond the *Business Practices and Consumer Protection Act* requirements if they do not conflict with the Act. However, there is no overarching requirement in the Act for businesses to have their own refund policies (the policy could be that there are no refunds) and clearly disclose them to consumers when they are committing to a contract. The *Business Practices and Consumer Protection Act* also does not prohibit businesses from unilaterally changing refund terms after the contract is made.

Current *Business Practices and Consumer Protection Act* refund obligations apply to a "supplier" which is defined broadly to mean anyone who, in the course of business, participates in a consumer transaction including by offering, advertising or promoting the transaction to a consumer. This broad definition could be interpreted to include online platforms that facilitate sales by third-party businesses. However, when consumers shop on these platforms there can be confusion about where to go for refunds and delays in receiving them.

Vouchers and Credits

Vouchers or credits may be offered by businesses in cases where a refund is not legally owed to the consumer under the *Business Practices and Consumer Protection Act* or under the contract, such as when a consumer cancels a contract because they no longer need or are able to use a product or service. They may also be offered in lieu of a refund where the consumer has a refund entitlement under the Act or contract.

Opting for a voucher or credit, rather than a refund, is the consumer's decision. However, businesses issuing vouchers or credits may not always be clear with consumers about

what they are receiving, or that they may be entitled to a refund, and consumers may face difficulties when it comes time to redeem their voucher or credit.

Returns

When a consumer cancels a distance sales contract pursuant to the *Business Practices and Consumer Protection Act*, they are obligated to return any goods they received under the contract to the business within 15 days after giving notice of cancellation, or after receiving the goods, whichever is later. The goods must be unused and in the same condition as when they were delivered. The supplier is responsible for the reasonable cost of returning the goods. With a growing online marketplace return policies are not always in compliance with the *Business Practices and Consumer Protection Act* requirements, and consumers may not be aware of their rights in such circumstances.

Preventing Unjust Contract Cancellations

For contracts that have to be in writing under the *Business Practices and Consumer Protection Act*, the *Act* has rules about the type of information that must be included. If information required under the *Act* is not in the contract, the remedy available to the consumer is contract cancellation.

While rules for contract contents exist to ensure consumers are fully informed, sometimes they can result in unfairness for businesses. For example, if a business fails to include information in the contract that most consumers would consider relatively unimportant, such as a missing fax number, the consumer can cancel the contract under the *Business Practices and Consumer Protection Act*. This can occur even in situations where the business has already performed some of the work or provided goods under the contract, and it is not possible to take them back.

Ontario's *Consumer Protection Act* permits courts to order consumers to be bound by their contracts in situations where the contract is not in full compliance with the legislation, but it would be inequitable to allow cancellation.

Extending Cancellation Rights

Consumer contracts under the *Business Practices and Consumer Protection Act* have cancellation rights to ensure compliance with transparency requirements and that goods and services are delivered within a defined timeframe. However, the rights granted for each contract type varies.

Future performance contracts can be cancelled by the consumer, not later than one year after the date that the consumer receives a copy of the contract if the contract does not contain the required information. For other contract types, such as distance sales, the *Act* also allows for cancellation in this situation, but provides further cancellation rights where the goods or services are not provided when promised under the contract, or within a certain period of time after the consumer enters into the contract. These additional contract

cancellation rights are not provided for consumers with future performance contracts. This can lead to situations where, for example, a consumer has access to a refund when they purchase travel online, because the distance sales contract cancellation rights apply, but not if they purchased the travel in person.

Further, there can sometimes be challenges for consumers trying to cancel distance sales contracts. In some circumstances where it becomes evident that a business will not be able to fulfill a contract, the consumer may have a limited ability to cancel at the earliest opportunity. Under the Act, if a distance sales contract includes a supply date and goods or services are not provided by that date, the consumer can only cancel the contract within 30 days *after* the supply date has passed. If it was evident to the consumer earlier than the supply date that the goods or services were not going to be provided by that date, the consumer's only option is to wait until after the supply date to cancel the contract.

Limitations on when a consumer may cancel a contract in this situation delays refunds. The introduction of public health measures during the COVID-19 pandemic highlighted the frustrations this can cause for consumers and businesses.

Proposals

Refunds

1. The Ministry is considering changes that improve clarity regarding refunds, including:

- ❖ Requiring businesses to establish refund policies (policies that are in addition to, but cannot be in conflict with, the refund obligations under the Business Practices and Consumer Protection Act), and to disclose them in the terms and conditions of their contracts. Subject to the minimum cancellation and refund obligations already in the Act, a business's refund policy could be that there is no refund.
- ❖ Ensuring refund policies are a part of the pre-purchase disclosure requirements (see [above section](#)) and prohibiting unilateral changes to refund terms.
- ❖ For transparency, clarifying that a voucher or credit is not a “refund” under the Act.
- ❖ Clarifying the refund obligations of online platforms that facilitate sales by other businesses.

Vouchers and Credits

2. The Ministry is considering changes to improve transparency and protections for vouchers and credits by establishing new disclosure requirements and prohibitions, including new rules that:

- ❖ Require vouchers and credits to disclose, in a clear and prominent manner, all restrictions, limitations, terms and conditions imposed in respect of use of the voucher or credit, including any expiry date if permitted by law.
- ❖ Require vouchers and credits to include a description of how the consumer can obtain information about the voucher or credit, including any remaining balance.
- ❖ Prohibit businesses from charging fees to consumers for the use of the voucher or credit and requiring a refund of such fees upon request of the consumer.
- ❖ Provide that vouchers and credits issued to consumers with refund entitlements under the *Business Practices and Consumer Protection Act* or under their contracts must:
 - Represent the entire price of the good or service or ticket, or be for the same class of good or service that the consumer paid for even if the cost for the business to provide the good or service has increased, and
 - Have a future cash-in value equal to the price the consumer paid for the good or service under the contract.

Returns

3. The Ministry is considering amendments to establish a clearer process for returns that result from cancelled distance sales contracts. When a business receives a notice of cancellation from the consumer, they would have a period of time (e.g., 30 days) to send a notice to the consumer with the return options. If the supplier fails to meet these notification requirements the consumer would not be obligated to return the goods or services.

Preventing Unjust Contract Cancellations

4. The Ministry is considering changes so that courts (including the Civil Resolution Tribunal) can prevent unjust contract cancellation under the *Act* in situations where the contract is not in full compliance with the legislation (similar to the Ontario *Consumer Protection Act*).

Extending Cancellation Rights

5. The Ministry is considering expanding a consumer's cancellation rights:

- ❖ For future performance contracts, to be similar to their rights for distance sales contracts, improving consistency within the *Act*. This would allow for cancellation if the consumer is not provided with a copy of the contract within 15 days of when it is entered. It would also allow for cancellation if goods are not supplied within 30 days of the supply date or if services are not commenced within 30 days of the supply date, and where no supply or completion date is provided, within 30 days from the date the contract is entered into.

- ❖ By allowing for an earlier right to cancellation, in situations where a supplier confirms the goods or services will not be provided on or within 30 days of the supply date.

Implications

The COVID-19 pandemic highlighted the problems that can arise when consumers are not aware of refund policies, refund policies are changed without any notice, and vouchers and credits are offered in lieu of refunds. Updates to the *Business Practices and Consumer Protection Act* provisions would benefit consumers by increasing transparency and strengthening protections for them, while at the same time lowering the risk of refund, voucher, and credit disputes, which benefits both consumers and businesses.

New disclosure requirements could result in the need for businesses to incur costs for operational and technical changes (e.g., changes to contract and voucher forms, websites, staff training). Businesses could also experience financial impacts if they fail to disclose refund information in their contracts as this would trigger consumer cancellation and refund rights under the *Business Practices and Consumer Protection Act*. However, education for businesses regarding this requirement could mitigate this risk.

New requirements to provide notice of return options to consumers who cancel distance sale contracts could help businesses by facilitating the return of goods or services to them, while consumers will receive clarity in the return options. Furthermore, making amendments that release the consumer of obligation from returning goods where return options are not disclosed provides better protections to consumers in the online marketplace.

Expanding consumer's cancellation rights for future performance contracts would ensure consumers who are making purchases in different locations for the same goods and services are granted the same protections. Proposed amendments would also provide clarity in circumstances where an agreement is reached but the consumer does not receive a copy of the written contract.

Discussion Questions

1. Refunds

1.1 For contracts that must be in writing under the *Business Practices and Consumer Protection Act*, should businesses be required to establish refund policies and include them in the contract²? What are your views on the potential impacts to businesses and consumers if this was required?

² The refund policy could be that there is no refund (unless otherwise required under the Act).

1.2 Often when consumers buy products or services online, they do not purchase them directly from the business that is selling them – instead, they may use platforms such as Amazon, which facilitate sales by other businesses. If a consumer cancels the contract and is owed a refund under the Act, should the platform also have an obligation to pay the refund?

1.3 Do you have any other comments or feedback on refunds?

2. Vouchers and Credits

2.1 Government is considering prohibiting businesses from charging fees for the use of any voucher or credit they have provided to consumers, regardless of the type of voucher or credit, or the reason for issuing it. What would be the impact of such a prohibition?

2.2 What kind of information should be disclosed to consumers when they are offered vouchers or credits? Please select all that apply.

- Restrictions on use
- Expiry date if permitted
- Where to go for information about balance
- Other: please specify

2.3 Should there be any requirements for how and when voucher or credit information is disclosed to consumers? Please select all that apply.

- Prominence of notice (location, font size, etc.)
- Information provided before the consumer accepts or declines the voucher or credit

2.4 If a consumer is owed a refund under the law but chooses to accept a voucher or credit for future goods or services instead, should they be able to cash it in later if they decide not to use it?

2.5 Do you have any other comments or feedback on vouchers and credits?

3. Returns

3.1 Government is considering requiring suppliers to provide consumers with a notification of return options, upon cancellation of a distance sales contract. What would be the impact of such a requirement?

3.2 If businesses do not comply with the requirement to provide consumers with notification about their return options, should the consumer's obligation to return the products be extinguished?

3.3 Do you have any other comments or feedback on returns?

4. Preventing unjust contract cancellations

4.1 What are your views about changing the *Act* so that courts can make orders preventing unjust cancellation of contracts that are not in strict compliance with the requirements in the *Act*? In what types of situations should this remedy be available?

5. Extending cancellation rights

5.1 Government is considering expanding consumer cancellation rights for future performance contracts. What would be the impact of allowing for cancellation of a future performance contract if goods are not supplied within 30 days of the supply date or if services are not commenced within 30 days of the supply date, and where no supply or completion date is provided, within 30 days from the date the contract is entered into?

5.2 If a supplier confirms that they will fail to provide goods or services by the supply date, should a consumer be able to cancel the contract immediately (instead of being required to wait 30 days after the supply date)?

5.3 What impact would allowing for earlier contract cancellation have on businesses and consumers?

5.4 Do you have any other comments or feedback on contract cancellation remedies?

APPENDIX 1 – SUMMARY OF QUESTIONS

Pre-purchase Contract Transparency

1. If government required businesses to provide full copies of contracts to consumers prior to purchase, what would be the impacts for consumers and businesses? Are there certain types of contracts that should be exempt from this requirement?
2. Alternatively, if government required businesses to provide consumers with key contract terms prior to purchase, what would be the impacts for consumers and businesses? Are there certain types of contracts that should be exempt from this requirement?
3. Which of these proposals (#1 or #2 above) do you believe is preferable, or neither?
4. What types of contract terms are most important for consumers to know upfront, before they commit to a written contract, including an online contract? Please rank in priority order:
 - Total price displayed in a manner that is more prominent (e.g. larger font size) than that for other price-related information
 - Price and payment-related information (e.g., total price, itemized list of price components, additional charges that may apply, method and terms of payment such as any periodic payments)
 - Detailed description of the product or service
 - Information about when the product or service will be supplied or completed (e.g., delivery date for a product, period of time over which services will be provided)
 - Information about the business (e.g., name, contact information)
 - Information about the length of the contract
 - Information about how the contract can be renewed or terminated
 - Promotional offers (e.g., conditions to qualify, how long the offer is valid, what happens when it expires)

- Information about returns, exchanges, and refunds
 - Information about credit (e.g., the cost of credit if the product or service is being purchased using credit, any security interests given)
 - Trade-in information
 - Restrictions, limitations, conditions (e.g., age restriction for obtaining certain products, any technical requirements to use a product or service such as minimum internet speed)
 - Other (please specify)
5. Should platforms that facilitate sales by third-party businesses be required to comply with the same pre-purchase transparency rules as the businesses that are using the platforms to sell products and services to consumers? Or be required to take steps to ensure that the businesses using their services are following these rules?
 6. Do you have any other comments or feedback on pre-purchase contract transparency?

Contract Content Rules

1. What would the potential impacts be for consumers and businesses if new rules were introduced requiring key written contract terms to be presented in a “clear and comprehensible manner”?
2. What should be considered “key terms” that must be included in all written contracts under the *Act* when copies are provided to consumers who have committed to them (e.g., price, payment terms, product description, other)? Please list.
3. Is it important for all contracts that must be in writing under the *Act* to include information about:
 - o How the contract can be renewed, if applicable? Why or why not?
 - o How the contract can be cancelled, whether under the *Act* or otherwise? Why or why not?
 - o Any penalties for cancellation? Why or why not?
4. Should there be exceptions to the rule that a completion date for the supply of goods or services must be included in a future performance contract?
5. Do you have any other comments or feedback on contract content rules?

Contract Modifications and Renewals

1. Automatic Contract Renewals

- 1.1. If a contract enables a business to automatically renew the contract, should the business be required to give the consumer notice prior to the renewal and offer the consumer the right to cancel? What impacts would there be for businesses and consumers?
- 1.2. If after receiving the notification the consumer does not wish to renew, should the consumer have to cancel within a defined period of time, or should they be able to cancel the contract at any time?
- 1.3. After the contract has automatically renewed, should a consumer be able to cancel the contract at no cost to the consumer?
- 1.4. If advanced notice is required, what is the minimum amount of notice that should be given about the contract expiry and renewal date: 7 days, 30 days, 60 days, 90 days, or another period of time?
- 1.5. Should there be a limit on the term of an automatic renewal? If so, what should the limit be?
- 1.6. Do you have any other comments or feedback on automatic contract renewals?

2. Unilateral Contract Modifications

- 2.1 When a contract provides for unilateral modifications, should businesses be required to notify consumers of any contract change that occurs during the term of the contract, regardless of the type of change, or only for key changes? What would the impacts on businesses and consumers be if a notification requirement was established?
- 2.2 What types of contract modifications are most important for businesses to notify consumers of? Examples could include:
 - Type, quality or quantity of goods or services
 - Pricing including fees and other costs payable by consumers
 - Delivery or shipping methods
 - Supplier's business contact information (address, phone number, email)

- Any other restrictions, limitations or other terms or conditions that may apply to the supply of the goods or services
- The date(s) on which delivery, commencement of performance, ongoing performance and completion of performance are to occur
- Cancellation, exchange, and refund policies
- Other: please specify

2.3 If a contract modification does not increase the consumer's obligations or reduce the business's obligations to the consumer (e.g., price decrease), should it be permitted without any requirement for notification?

2.4 If a business provides advance notice and the consumer does not like the modification, should the consumer be able to cancel the contract at any time after receiving the notice at no cost? Should the ability to cancel only be provided for modifications to key terms?

2.5 Do you have any other comments or feedback on unilateral contract modifications?

Accountability

1. Access to Justice

- 1.1 How would invalidating, or invalidating and prohibiting, any requirement that obliges the consumer to refer a dispute to arbitration or other private dispute mechanism impact consumers and businesses?
- 1.2 How would confirming consumers' abilities to commence or join a class action, despite any contract terms that purport to restrict that right, impact consumers and businesses?
- 1.3 Government is considering whether protections for access to justice should apply not only to contracts between consumers and businesses, but also to business-to-business contracts where the value of the claim is small. What are your views on the potential impacts of such changes? What would an appropriate threshold be?
- 1.4 What are your views on the potential impacts of prohibiting any terms in a consumer contract that purport to restrict or waive rights provided under the *Business Practices and Consumer Protection Act*?
- 1.5 As an alternative, what are your views on requiring a business to indicate in a clear and comprehensible way that terms that restrict or waive consumer rights do not apply in B.C.? What are the potential impacts of such a requirement?
- 1.6 Do you have any other comments or feedback on access to justice?

2. Publishing Reviews

- 2.1 How would a change to the *Business Practices and Consumer Protection Act* that invalidates, or invalidates and prohibits, contract terms that prohibit consumers from writing fair business reviews, or penalizes them for doing so (e.g., additional fees/charges), impact businesses and consumers?
- 2.2 Do you have any other comments or feedback on publishing reviews of businesses?

Direct Sales

1. What impacts would a prohibition on direct sales or a requirement to be licensed have on businesses that offer these types of household products or services?
2. If BC were to prohibit the direct sale of certain goods and services, which of the following should be prohibited?
 - Furnaces
 - Duct cleaning services
 - Air conditioners
 - Air cleaners
 - Air purifiers
 - Home security systems
 - Water heaters
 - Water treatment devices
 - Water purifiers
 - Water filters
 - Water softeners
 - Windows
 - Energy audits
 - Other (please specify)
3. What are your views on placing a maximum dollar value limit on *all* direct sales contracts instead of a prohibition on certain products? If so, what should that dollar value limit be?

4. Should direct sellers be restricted or prohibited from offering consumers credit to finance the purchase of goods or services?
5. What would be the impact of removing the direct sales exemption for friend and family referrals?
6. Which of the proposed changes do you think would best address the issues that some consumers are experiencing?
7. Do you have any other comments or feedback on direct sales?

Remedies

1. Refunds

- 1.1 For contracts that must be in writing under the *Business Practices and Consumer Protection Act*, should businesses be required to establish refund policies and include them in the contract³? What are your views on the potential impacts to businesses and consumers if this was required?
- 1.2 Often when consumers buy products or services online, they do not purchase them directly from the business that is selling them – instead, they may use platforms such as Amazon, which facilitate sales by other businesses. If a consumer cancels the contract and is owed a refund under the *Act*, should the platform also have an obligation to pay the refund?
- 1.3 Do you have any other comments or feedback on refunds?

2. Vouchers and Credits

- 1.1 Government is considering prohibiting businesses from charging fees for the use of any voucher or credit they have provided to consumers, regardless of the type of voucher or credit, or the reason for issuing it. What would be the impact of such a prohibition?
- 2.2 What kind of information should be disclosed to consumers when they are offered vouchers or credits? Please select all that apply.

- Restrictions on use
- Expiry date if permitted
- Where to go for information about balance
- Other: please specify

³ The refund policy could be that there is no refund (unless otherwise required under the *Act*).

2.3 Should there be any requirements for how and when voucher or credit information is disclosed to consumers? Please select all that apply.

- Prominence of notice (location, font size, etc.)
- Information provided before the consumer accepts or declines the voucher or credit

2.4 If a consumer is owed a refund under the law but chooses to accept a voucher or credit for future goods or services instead, should they be able to cash it in later if they decide not to use it?

2.5 Do you have any other comments or feedback on vouchers and credits?

3. Returns

3.1. Government is considering requiring suppliers to provide consumers with a notification of return options, upon cancellation of a distance sales contract. What would be the impact of such a requirement?

3.2. If businesses do not comply with the requirement to provide consumers with notification about their return options, should the consumer's obligation to return the products be extinguished?

3.3. Do you have any other comments or feedback on returns?

4. Preventing unjust contract cancellations

4.1 What are your views about changing the Act so that courts can make orders preventing unjust cancellation of contracts that are not in strict compliance with the requirements in the Act? In what types of situations should this remedy be available?

5. Extending cancellation rights

5.1 Government is considering expanding consumer cancellation rights for future performance contracts. What would be the impact of allowing for cancellation of a future performance contract if goods are not supplied within 30 days of the supply date or if services are not commenced within 30 days of the supply date, and where no supply or completion date is provided, within 30 days from the date the contract is entered into?

5.2 If a supplier confirms that they will fail to provide goods or services by the supply date, should a consumer be able to cancel the contract immediately (instead of being required to wait 30 days after the supply date)?

5.3 What impact would allowing for earlier contract cancellation have on businesses and consumers?

5.4 Do you have any other comments or feedback on contract cancellation remedies?

APPENDIX 2 – B.C. CONSUMER PROTECTION LAWS

B.C.'s main consumer protection laws are:

[Business Practices and Consumer Protection Act](#)

The *Business Practices and Consumer Protection Act* and associated Regulations are B.C.'s general consumer protection laws. This legislation applies to most transactions occurring in B.C. between consumers and businesses. It establishes rules for these transactions, including rules that prohibit certain unfair business practices, describes what information businesses must include in their consumer contracts and when extending credit or loans to consumers, and addresses how credit reporting agencies and others may deal with consumers' credit information.

There are certain types of businesses that must be licensed under the Act. These are travel agents and wholesalers, telemarketers, payday lenders, bailiffs, debt collectors, and debt repayment agents, home inspectors and (effective May 1, 2022) high-cost credit lenders. Licensed businesses are subject to additional rules and are actively monitored to ensure they are complying with those rules.

[Motor Dealer Act](#)

The *Motor Dealer Act* and associated Regulations regulate the sale of motor vehicles (automobiles, light trucks, motorcycles, mopeds for on-road use, recreational vehicles, and recreational trailers) by motor dealer businesses. All motor vehicle dealerships, salespeople, broker agents and their representatives, and wholesalers must be registered under the Act and are subject to specific rules governing their transactions with consumers.

[Ticket Sales Act](#)

The *Ticket Sales Act* and Ticket Sales Regulation govern how tickets to recreational, sporting, and cultural events in B.C. can be sold or re-sold by businesses. The legislation includes rules about the type of information businesses have to provide to consumers before they make their ticket purchases and establishes refund obligations for businesses that re-sell tickets. The Act also prohibits the use of ticket "bots" that are used to jump the line and quickly buy up tickets when they go on sale.

[Sale of Goods Act](#)

The *Sale of Goods Act* defines the rights and obligations of consumers and businesses when physical goods are sold and purchased. The Act incorporates principles of contract common law, including certain rights that consumers have when purchasing products. These rights (called "implied conditions" or "implied warranties") apply regardless of

whether the parties have explicitly agreed to them. For example, under the Act it is an implied condition that the seller has the right to sell the product to the consumer, and that the product is fit for the purpose it has been sold for. Disputes about whether these laws have been broken must be settled through civil court action or the Civil Resolution Tribunal.

APPENDIX 3 – B.C. CONSUMER PROTECTION TERMINOLOGY

Throughout this discussion paper, there are references to various terms that are used in B.C.'s consumer protection laws. To assist in reading the paper, this Appendix describes some of those terms. For full definitions, please refer to the [Business Practices and Consumer Protection Act](#).

Distances sales contract – a contract that is entered into by a consumer remotely, rather than at a place of business. Examples include purchases made online or over the phone.

Future performance contract – a contract where the business does not supply the goods or services to the consumer, or the consumer does not pay the total price in full for the goods or services, at the time the contract is made. This could include things like an agreement for home renovations, or an agreement for fitness training. To be a future performance contract, the total price payable by the consumer must be \$50 or more.

Continuing services contract – a type of future performance contract where the performance of services is provided for on a continuing basis and is for specific types of contracts that have been designated by regulation. Contracts designated by regulation to date are fitness-related (e.g., contracts for dance lessons and fitness training including gym and health studio memberships) and are also for travel or vacation club memberships entitling members to travel discounts or other benefits.

Direct sales contract – a contract entered into in person at a place that is not the business's permanent place of business, such as when a door-to-door salesperson comes to your home, and you agree to a contract for installation of a home security system or an air conditioning system.