

# New consumer protections on the horizon

On Sept. 26, Tim Hudak, the minister of Consumer and Business Services introduced bill 180, the proposed consumer protection statute law amendment act.

The impetus for this proposed legislation stems from Ontario's desire to keep up with changing times. In today's marketplace, businesses and individuals depend on cell phones, fax machines, voice mail, e-mail, and more importantly, the Internet. With the emergence of the Internet, comes a variety of scams such as personal loans being offered that never reach the borrower, promotion of worthless and unnecessary credit card insurance, and

get-rich-quick schemes that tend only to enrich those involved in the scam.

Under the proposed legislation, prior to a consumer entering into an Internet agreement, the supplier would be required to disclose certain prescribed information, provide the consumer with an express opportunity to accept or decline the agreement, and to correct errors. Information required to be disclosed would have to be "clear, comprehensible, and prominent."

A consumer would have the right to cancel a contract, including one agreed to through use of the Internet, if goods were not delivered or services had not



## Bits and Bytes

By Alan Gahlan

begun within 30 days of the date specified in the contract, unless the consumer had granted written permission for delayed delivery.

In addition to the proliferation of technology, the Ontario government recognizes the rapid growth of the service economy and an increase in consumer leasing. As a result, the proposed legislation would extend protections to services and would

cover sales, leases, as well as other kinds of transactions.

Negative-option billing, the practice of billing for goods or services without the consent of the consumer, would be prohibited. Consumers would not be held accountable for goods or services that they did not request and did not agree to pay for.

High-pressure sales tactics are another target of this proposed legislation. The 10-day cooling-off period that presently exists for door-to-door sales would be extended to fitness and health clubs, modeling and talent agencies, and other personal development services as well as timeshares. Consumers making deals using

the Internet would have a 10-day cooling-off period.

Providing a copy of the statute to the consumer upon request would provide the consumer with the express opportunity to decline the agreement if errors are immediately apparent.

Protections against the practice of "bait and switch" where a consumer is quoted in an advertisement but the actual product is different, will be provided. Consumers' business information will be protected and provided that the information is not charged for any use above the estimated cost of the consumer agreement.

In his introduction, Hudak noted that the bill "requires that the government powers under the legislation would be made clear and made known to the consumer board. Maximum protection for individuals currently under the consumer protection act, under the current legislation, is less than a year. For more information, go to [www.bills/180373.htm](http://www.bills/180373.htm)

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