

CONSUMER PROTECTION SURVIVAL GUIDE

WHAT ARE MY RIGHTS?

Under the *Consumer Protection Act*, 2002 a consumer has several basic rights.

HOW DO I MAKE A COMPLAINT?

Some marketplace sectors are regulated under specific consumer protection and safety legislation. Find your marketplace contact at page four to determine appropriate complaint mechanisms.

CAN I CANCEL A CONTRACT?

Under the *Consumer Protection Act*, 2002 you have the right to cancel an agreement and have your money returned if your circumstance meets particular criteria.

• FIND MORE INFORMATION INSIDE REGARDING **GIFT CARDS, PAYDAY LENDING, IDENTITY THEFT, COLLECTION AGENCIES, HOME REPAIR AND MOTOR VEHICLE REPAIR**

- Our goal at the Ministry of Consumer Services is to promote a fair, safe and informed marketplace, in which your rights as a consumer are fully protected.
- If you believe an individual or business has wronged you, there may be actions you can take under the *Consumer Protection Act* (CPA), 2002.
- The Consumer Protection Branch is here to help you understand Ontario's consumer protection legislation, direct you to the right information and mediate written complaints between consumers and businesses.
- We're here to keep you informed about frauds and scams and to increase your knowledge of the marketplace.



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WHAT ARE MY RIGHTS UNDER THE CONSUMER PROTECTION ACT, 2002?

Cooling Off Period

- Let's say you make a purchase or sign a contract in your home and then change your mind. If the deal is worth more than \$50, you may have the right to cancel within 10 days. It's best to cancel by registered mail or fax to get your money back. **Not all contracts have a cooling off period. See page 5 for details.**

Under the *Consumer Protection Act, 2002* the 10 day cooling off period applies to Direct Sales Agreements, Time Share Agreements, Personal Development Agreements, Credit Repair Agreements and Loan Broker Agreements.

Clear and Comprehensible Contracts

- All required information in contracts must be clear, comprehensible and prominent. If contracts are missing required information, you have the right to cancel the contract, usually within 1 year.

Timely Remedies

- When you cancel a contract under the CPA (preferably in writing), the business has 15 days to return your money. The business is entitled to any goods the consumer received under the agreement, and may be entitled to some money for goods or services actually used.

No Obligation For Goods Not Requested

- In fact, you may use them or throw them out. The exception is if the good was addressed to someone else and delivered by mistake. You're not responsible for an unsolicited credit card either – **unless you use the card.**

Future Performance Agreements

- When some part of the contract occurs in the future (e.g. delivery, performance of services, payment in full), written contracts are required if the goods or services are worth more than \$50. The contract must contain complete details of the transaction and full disclosure of any credit terms.

Full Disclosure of Credit Terms

- Anyone providing goods or services on credit must give the consumer a written statement showing details of the credit terms, including the annual percentage rate.

Truthful Explanation of all Costs

- All charges in a contract must be what they say they are. For example, a business may not add a \$20 surcharge for a "tax" that is not really a tax. Make sure you understand what each charge is for and that it's valid.

Freedom From False, Misleading Or Deceptive Representations

- This includes any falsehood, such as representing that used goods are new, exaggerating the quality of goods or services, or suggesting that a repair is needed when it is not.

Goods Cannot Be Repossessed If You Have Paid 2/3 Or More

- A seller can't take back goods you've bought but not paid for fully, as long as you have paid two-thirds or more of the cost, except by court order. But remember, if you miss a payment, the seller can take you to court to get full payment.

Deliveries Made on Time

- If delivery of a good doesn't arrive within 30 days of the promised date, you can cancel the contract by sending a cancellation letter. Get that promised date in writing! But you lose the right to cancel the agreement if you accept delivery after the 30 days.

Written Estimates

- A consumer is not required to pay more than 10 percent above the written estimate provided by the supplier. If a supplier charges an amount that is 10 percent more than the estimate the consumer may require the supplier to provide the goods or services for the estimated amount.

BEFORE YOU CONTACT US

If you would like to make a complaint be sure to contact the appropriate marketplace sector to determine what you need to do before the Consumer Protection Branch can take action.

WHO CAN I CONTACT TO AID WITH MY COMPLAINT?

Consumer Protection Branch
5775 Yonge Street, Suite 1500
Toronto, Ontario M7A 2E5
Toll Free: 1-800-889-9768
Toronto: 416-326-8800
Email: consumer@ontario.ca
Fax: 416-326-8665

INSPECTION, INVESTIGATION AND ENFORCEMENT

The Consumer Protection Branch has inspectors who visit businesses to check for compliance with consumer law in sectors such as cemeteries, health and fitness clubs and collection agencies. If it appears that consumer laws have been violated we investigate. Violators may be prosecuted and may be required to make restitution.

HOW DO I MAKE A COMPLAINT?

- Once you've determined that you have a valid complaint, find the section below that best suits your needs.
- Some businesses are regulated under specific consumer protection and safety legislation. To make a complaint in any of the following sectors, go to the link to contact that regulatory body directly:

Real Estate Council of Ontario

- www.reco.on.ca/
- Telephone Main: (416) 207-4800
- Toll-Free: 1-800-245-6910
- Telephone Complaints: (416) 207-4847
- Complaints Toll-free: 1-888-296-8755

Travel Industry Council of Ontario

- www.tico.on.ca/
- Telephone: (905) 624-6241
- Toll-Free: 1-888-451-8426 ext 233

Ontario Motor Vehicle Industry Council

- www.omvic.on.ca/
- Telephone: (416) 226-4500
- Toll-Free: 1-800-943-6002

Tarion Warranty Corporation - New Homes

- www.tarion.com/home/
- Telephone: (416) 229-9200
- Toll-Free: 1-877-982-7466

Electrical Safety Authority

- www.esainspection.net/
- Toll-Free: 1-877-372-7233

Funeral Services

- www.funeralboard.com/
- Telephone: (416) 979-5450
- Toll Free: 1-800-387-4458

Technical Standards and Safety Authority - Amusement Devices and Fuel Safety

- www.tssa.org/
- Telephone: (416) 734-3300
- Toll-Free: 1-877-682-8772

Ontario Energy Board

- <http://www.oeb.gov.on.ca/OEB/>
- Telephone: 416-481-1967
- Toll-free: 1-888-632-6273

Technical Standards and Safety Authority - Upholstered and Stuffed Articles

- www.tssa.org
- Telephone: (416) 734-3300
- Toll-Free: 1-877-682-8772

Cemeteries and Crematoria - There are a number of resources available to consumers and cemetery owners about their rights and obligations when buying cemetery graves, services and supplies under the Cemeteries Act (Revised). The following website will lead you in your search:
www.ontario.ca/consumerprotection

- Click on Consumer Protection – Your Consumer Protection Toolbox – Introduction – Cemeteries and Crematoria

Complaint Checklist

- Review your rights to determine whether you have a legitimate complaint.
- Send a complaint letter to a business when you are not satisfied with a good or service you have purchased or leased. Be specific about what you want from the business, whether it's a discount, a coupon or something else.
- Keep a copy of the letter for yourself before sending it to the business. Send it in a way that you can track (hand-deliver it with a witness, registered mail, e-mail or fax with confirmed delivery). A sample complaint letter is attached as Appendix 1.
- If you are unable to resolve the complaint with the business you can contact the Consumer Protection Branch or, in the alternative, an online complaint form at www.ontario.ca/consumerprotection is available and may be submitted electronically. Or, if you prefer, a form in pdf is also available for you to print, complete and mail or fax to the Consumer Protection Branch.

UNFAIR BUSINESS PRACTICES

The Consumer Protection Branch investigates unfair business practices and often brings charges against suspect businesses throughout the province.

CONSUMER BEWARE

The Ministry of Consumer Services maintains a Consumer Beware list of individuals and business. This list can be found at www.ontario.ca/consumerprotection under Consumer Protection. Consumers should be cautious when dealing with these individuals and businesses.

CAN I CANCEL A CONTRACT?



- Under the *Consumer Protection Act, 2002*, you have the right to cancel an agreement and have your money returned to you if:
 - The contract is subject to a cooling off period. If there is a cooling off period, you have the absolute right to cancel (for any reason) within 10 days of receiving a written copy of the agreement. A sample cancellation letter is attached in Appendix 2. The following agreements have a cooling off periods.
 - Direct Sales Agreements
 - Time Share Agreements – where a consumer purchases the right to use a property or receive discounts related to travel
 - Personal Development Agreements- are service agreements like gym memberships.
 - Credit Repair Agreements
 - Loan Broker Agreements – provide services or goods that assist an individual in receiving a credit or a loan.
 - The vendor has made a false, misleading or deceptive representation about the goods or services you agreed to buy or lease. The consumer has a right to rescind the contract, which has the effect of cancellation. A sample cancellation letter due to unfair business practices is attached in Appendix 3.
 - The information about the goods or services, or your rights as a consumer required by the *Consumer Protection Act, 2002* are not provided to you in the agreement. A sample cancellation letter resulting from non-disclosure is attached as Appendix 4.
 - Send the cancellation or rescission letter to the business if you have changed your mind about a good or service you have purchased.
 - Remember to keep a signed and dated copy for yourself. Moreover, send a complaint letter in a way that it can be tracked (hand-deliver it with a witness, registered mail, e-mail or fax with confirmed delivery).

PAYDAY LOANS

What is a Payday Loan?

- A payday loan is a small value, short term, unsecured loan made to a borrower who provides a post-dated cheque or pre-authorized debit to the lender to cover the loan and all related charges.

How Can I Get a Payday Loan?

- Lenders typically require borrowers to prove three months of continuous employment, produce a recent utility bill in their name to establish address and provide three months of bank records. No credit check is performed.
- *Ontario's Payday Loans Act, 2008* requires payday lenders to set out on the first page of a payday loan agreement certain critical information such as the cost of the loan per \$100 borrowed and the total amount due from the borrower under the agreement.
- Payday lenders must provide funds to the borrower immediately upon entering into the payday loan agreement. For telephone and internet payday loans, however, payday lenders have one hour from entering into the agreement to make the funds accessible to the borrower.
- Borrowers may cancel a payday loan agreement, within two business days, without penalty.
- If lender receives a payment they are not entitled to, the borrower has one year from making the payment to demand a refund.

Credit Counseling

- If you require regular payday loans to meet your financial obligations you may want to seek other help.
- Credit counseling can help you organize your finances and successfully manage your money.
- Credit counselors can assist in explaining your options and help you come up with ways to manage your money, make a budget, arrange solutions with your creditors and prepare a personalized repayment plan.
- The Ontario Association of Credit Counseling Services has a list of not-for-profit OACCS Credit Counseling agencies that can discuss your needs.
- Ontario Association of Credit Counseling Services:
 - <http://www.oaccs.com/agencies.html>
 - Tel.: (905) 945-5644
 - Referral Line: 1-800-7-INDEBT (746-3328)

IDENTITY THEFT

- **Identity theft occurs when someone uses your personal information without your knowledge to cheat you or to commit a crime, such as fraud or theft, against others.**
- Identity thieves steal your personal information and use it to impersonate you and commit crimes using your name.
- In addition to names, addresses and phone numbers, thieves look for:
 - Social Insurance Numbers
 - Driver's licence numbers
 - Credit card and banking statements
 - Bills
 - Bank cards
 - Calling cards
 - Birth Certificates
 - Passports

How Can an Identity Thief Get Your Personal Information?

- Identity thieves may get your personal information by:
 - Removing mail from your mailbox or redirecting your mail.
 - Stealing information from wallets, purses, mail, your home, vehicle, computer, and websites you've visited or e-mails you've sent.
 - Going through your garbage or recycling bin or employer's dumpster.
 - Posing as a creditor, landlord or employer to get a copy of your credit report or access to your personal information from other confidential sources.
 - Tampering with automated banking machines (ABMs) and point of sale terminals, enabling thieves to read your debit or credit card number and Personal Identification Number (PIN).

- Searching public sources, such as newspapers (obituaries), telephone books, and records open to the public (professional certifications).

Protect Your Identity!

- Always store all your cards and documents, such as birth certificates, social insurance numbers and passports, containing personal information in a secure place.
- Shred all expired documents and all of your bills and financial statements before discarding.
- Once a year, get a copy of your credit report from the two national credit reporting agencies, Equifax Canada and TransUnion Canada and ensure it is accurate.

Beware of Phishing and Vishing

- Phishing is the attempt to get sensitive information such as usernames, passwords and credit card details, by pretending to be a trustworthy entity – a bank or well-known reputable business -- in an e-mail or text message. The email requests the user to click on a link and verify their bank account information. The user is then directed to a fake site that collects the login and password information and may solicit account numbers and other personal information. NEVER click on that website and provide personal information.
- Vishing is Phishing via the telephone. Generally, a recorded message tells the person receiving the call that their credit card has been breached. Subsequently, the person is told to call another number to rectify the situation. When the person calls the number you are asked to enter your account number. NEVER give account info over the phone.

COLLECTION AGENCIES

What is a collection agency?

- A collection agency is an organization that obtains or arranges for payment of money owed to a third party.

What should you do if a collection agency comes calling?

- If possible, pay the money you owe. You won't have to deal with the agency once the account has been cleared.
- If it's impossible for you to pay the full amount at once, contact the agency, and offer some alternative method of repayment, either in a lump-sum or a series of regular payments. Follow up in writing and, if possible, enclose a good-faith payment.
- Never send cash. Always make payments in such a way that you have a receipt — either a cancelled cheque from your own bank or a receipt from the agency.
- Once the account has been officially turned over to a collection agency, you'll be dealing only with that agency when making arrangements for payment. Don't contact the original creditor unless there's an error in the account.

A collection agency may not:

- Demand payment from you until six days have passed from sending you written notice of the name of the creditor, the balance owing and the name of the agency and its authority to demand payment.
- If you send a registered letter saying that the debt is false then the collection agency must stop contacting you and must continue its actions through the court.

- Continue to contact you if you did not receive the notice unless a second copy of the written notice is sent to an address provided by you. Payment may only be demanded six days after sending the second notice.

- Contact you other than by ordinary mail more than three times in a seven-day period without your consent.
- Use threatening, profane, intimidating or coercive language, or use undue, excessive or unreasonable pressure.
- Continue to contact you if you have sent a registered letter to the collector stating that you are not the person they are seeking. The letter should state that if the collector wishes to pursue the matter further they should do so through the courts. Once a consumer sends this letter, the collector is required to stop phoning the consumer.
- Give false or misleading information to any person.
- Recommend to a creditor that a legal action be commenced against you without first sending you notice.
- Contact your employer except on one occasion to obtain your employment information, unless your employer has guaranteed the debt or the call is in respect of a court order or wage assignment or if you have provided written authorization to contact your employer.
- Contact your spouse, a member of your family or household, or a relative, neighbour or acquaintance except to obtain your home address and telephone number unless the person contacted has guaranteed the debt or you have given permission for the person to be contacted.

HOW TO COMPLAIN?
If you wish to complain about a home renovation contractor follow the steps as outlined in **HOW DO I MAKE A COMPLAINT?** For further assistance feel free to contact the Consumer Protection Branch.

HOME REPAIR

Tips on dealing with home renovators

- Ask three companies to look at the job and give you a written estimate. Never accept an estimate over the telephone or without the contractor inspecting the area. Many consumers find they get good service when they deal with local firms.
- Keep down-payments to a minimum (about 10 per cent) and never pay the full amount of the contract before the work is completed. This helps ensure that the home renovation contractor will stay to finish the job and protects you from financial loss if the company declares bankruptcy before completing the work.
- Don't let the home renovation contractor talk you into making a large down payment "to pay for materials".
- Never sign a blank contract. When you are ready to sign a contract, make sure all the prices are broken down and that the materials and work specifications are spelled out. Always get a written contract before the work begins and make sure it includes the name and address of the home renovation contractor.
- Ask about the warranty. Make sure it is clearly spelled out in writing.
- Better Business Bureaus, Chambers of Commerce, local licensing commissions and municipal building inspectors, as well as the ministry's Consumer Beware List, keep records on home renovation contractors. Check with any or all of these organizations to find out if the firm you are considering for the job has a record of reliability.

Your rights when dealing with home renovations

- Under the law, the final price of the goods or services cannot be more than 10 per cent over the original written estimate. If new work comes up, your home renovation contractor should discuss it with you and you should be asked to approve a "change order" that includes the new work and a revised estimate to cover new goods and services.
- If a home improvement contract is signed in your home you will have the 10 day cooling off period if you wish to cancel the contract. However, if you asked for emergency repairs you will have to pay for work done if it is of reasonable quality – but this is not the case if you were misled into unnecessary repairs.
- Consumers are protected against unfair business practices such as deceptive promotional and sales tactics. If an unfair practice has occurred, you can rescind the agreement within one year. One way to do this is by sending the business a registered letter.

MOTOR VEHICLE REPAIR

Written Estimate

- A written estimate must be provided by the repairer, which includes among other things:
 - The name of both consumer and repairer and full business contact details.
 - The make, model, V.I.N. and licence number of the vehicle.
 - A description of the work or repairs to be made.
 - Parts to be installed and a statement as to whether or not the part is a new part and whether it was provided by the original equipment manufacturer or a used part or a reconditioned part.
 - Price of the parts to be installed.
 - Number of hours to be billed, the hourly rate and the total cost of labour or any flat rate.
 - The total amount to be billed.
 - The date the estimate is given and the date after which it ceases to apply.
 - That the repairer will not charge an amount that exceeds the amount estimated by more than 10 per cent.
- Authorization is required before repairs are carried out. Please note that authorization not in writing is only acceptable if the name of the person authorizing, date and time of the authorization are recorded by the repairer. If authorization is given by telephone then the telephone number of the person authorizing is needed.
- A repairer may charge for work or repairs without giving an estimate if the consumer declines the offer of an estimate, the consumer authorizes a maximum he/she will pay and the cost does not exceed the maximum amount authorized.

- Consumers must be told in advance if there is a fee for an estimate and the amount.
- An estimate fee cannot be charged if the work or repairs in question are authorized and carried out.

Invoice

- The repairer shall deliver an invoice indicating, among other things:
 - The name of the consumer and repairer and the business contact details for the repairer.
 - The make, model, V.I.N. and licence number of the vehicle.
 - Date consumer authorized the work/repairs.
 - Exact description of the work done and the repairs made.
 - Parts installed, whether the new part was provided by the original equipment manufacturer, used or reconditioned.
 - Price of the parts installed.

Warranty

- Repairers must provide a warranty on new or reconditioned parts and the labour required to install them for a minimum of 90 days or 5,000 kilometers, whichever comes first.
- If the vehicle becomes inoperable or unsafe due to defective repairs while under warranty, the customer must return the vehicle to the original repairer unless it is unreasonable to do so. If the vehicle is under warranty and repairs are made by another repairer, the consumer may recover the original cost of the work or repairs and reasonable towing charges.

SMART CONSUMER TIPS

Before You Sign Any Contract ...

- Know who you are dealing with. Don't do business with any business that won't provide its name, street address and telephone number.
- Protect your personal information. Share credit card or other personal information only when you're buying from a business you know and trust.
- Take your time. Resist any urge to "act now" despite the offer and the terms. Once you turn over your money, you may never get it back.
- Read the small print. Get all promises in writing and review all the documents carefully before you pay any money or sign a contract.
- Never pay for a "free" gift. Throw away any offer that asks you to pay for a gift. If it's free or a gift, you shouldn't have to pay for it. Free is free.
- Check carefully for written warranties and guarantees.
- Under the *Consumer Protection Act, 2002* consumers may have 10 days to cancel contracts signed in their home, for any reason, and up to 1 year to cancel if the contract fails to meet certain requirements. This cancellation may be subject to reasonable compensation to the supplier.
- Once you have decided on a business, check the Ministry's Consumer Beware List, the Better Business Bureau and with friends and family.
- Get written detailed estimates from three or four contractors and stay away from a contractor who quotes a flat rate before inspecting your house.
- Don't be pressured to sign a contract right away in order to take advantage of a door-to-door special.
- Keep down-payments to a minimum; ten per cent of the total estimate is fair and never pay the full amount until the work has been completed.
- Make sure everything you agree to in an agreement is in writing: the cost; start and end dates; and who is responsible for the clean-up.
- A consumer is not required to pay more than 10 percent above the written estimate provided by the supplier.
- For large amounts of money, consider obtaining legal advice to review the contract terms.
- **Consumer Protection Act, 2002 Violators** -Individuals violating certain sections of the Act are liable to a fine of up to \$50,000 or imprisonment of up to two years less one day. A corporation can be fined up to \$250,000.

APPENDIX 1

Sample Complaint Letter

Your name
Your address
Today's date

Business name and address

Dear Sir/Madam:

On (date of the contract), I (purchased, rented or leased) a (good or service) from you: model xyz, at a price of... (give as much detail as possible – include model or other identifying numbers that might apply).

The purchase agreement was made at your store located at (give details about the location of the store, the person you dealt with and any particular or relevant representations made to you about the product, goods or services).

Describe the problem here.

Then state exactly what you want from the business.

I look forward to your immediate reply. You can contact me at my home telephone number at... (Conclusion: indicate that you are expecting an early response/resolution to/of your complaint and your emergency and/or other contact information.)

Yours truly,

Sign the letter and send it by registered mail, fax or courier.

APPENDIX 2

Sample of a Cancellation Letter to Be Used Within 10 Days of Entering an Agreement

Your name
Your address
Today's date

Business name and address

Dear Sir/Madam:

On (date of the contract), I signed an agreement in my home to (purchase rent, lease) a (good or service) from you: model xyz, at a price of... (give as much detail as possible – include model or other identifying numbers that might apply).

Today, I want to cancel that agreement. I hereby exercise my right to cancel the agreement under the 10-day cooling off provisions of the *Consumer Protection Act, 2002* and ask that the money (specify amount) be returned to me within 15 days, as required by law.

I look forward to your immediate reply. You can contact me at my home telephone number at... (Conclusion: indicate that you are expecting an early response/resolution to/of your complaint and your emergency and/or other contact information).

Yours truly,

Sign the letter and send it by registered mail, fax or courier.

APPENDIX 3

Sample of a Cancellation or Rescission Letter Resulting From Unfair Business Practice(s)

Your name
Your address
Today's date

Business name and address

Dear Sir/Madam:

On (date of the contract), I signed an agreement in my home to (purchase rent, lease) a (good or service) from you: model xyz, at a price of... (give as much detail as possible – include model or other identifying numbers that might apply).

Today, I want to rescind the agreement due to an unfair business practice. I hereby exercise my right to rescind the agreement as a result of unfair business practice(s) as described in the *Consumer Protection Act, 2002* and ask that the money be returned to me. (specify the details of the unfair business practice such as what was said and what actually happened)

I look forward to your immediate reply. You can contact me at my home telephone number at... (Conclusion: indicate that you are expecting an early response/resolution to/of your complaint and your emergency and/or other contact information).

Yours truly,

Sign the letter and send it by registered mail, fax or courier.

APPENDIX 4

Sample of a Cancellation Letter Resulting From Non-Disclosure

Your name
Your address
Today's date

Business name and address

Dear Sir/Madam:

On (date of the contract), I signed an agreement to buy a (good or service) from you: model xyz, at a price of... (give as much detail as possible – include model or other identifying numbers that might apply).

Today, I want to cancel that agreement. I hereby exercise my right to cancel the agreement as a result of non-disclosure(s) as described in the *Consumer Protection Act, 2002*. (Tell the business/supplier exactly what the non-disclosure was.)

I look forward to your immediate reply. You can contact me at my home telephone number at... (Conclusion: indicate that you are expecting an early response/resolution to/of your complaint and your emergency and/or other contact information).

Yours truly,

Sign the letter and send it by registered mail, fax or courier.