

Online Protection

August 1, 2006

Each day more and more people are discovering that rather than having to drive to a busy mall and wait in line, they can make the same purchase from the comfort of their homes. However, the anonymity of shopping over the internet raises a variety of concerns for consumers. In an effort to give consumers greater protection while shopping online, the Ontario Government has passed the *Consumer Protection Act, 2002* (the "Act").

With certain specific exceptions, the Act applies to all consumer transactions, if the consumer, or the person engaging in the transaction with the consumer, is located in Ontario when the transaction takes place. Some of the highlights of the Act that relate specifically to Agreements between consumers and suppliers over the internet include the following:

- it is prescribed that for the internet agreement provisions of the Act to apply, the total payment obligation must be \$50.00 or more;
- the regulations to the Act sets out a list of prescribed information about the supplier that is required to be provided (including, the name, telephone number and physical address of the supplier). As well, the regulations to the Act prescribe that certain details of the online transaction must be disclosed to the consumer before the contract is made, including, a description of the goods and/or services (including pertinent technical requirements), price information (including charges for taxes and shipping), the delivery date and arrangements for delivery, the supplier's refund policy (if applicable), and any other conditions that may apply;
- the supplier must also disclose the information such that it is clear, comprehensive and prominent. Furthermore, the information that is prescribed to be disclosed must be accessible in a manner that ensures that the consumer has accessed the information and the consumer was able to retain and print the information;
- the Act requires the supplier to provide the consumer with an express opportunity to accept or decline internet agreements and to correct errors immediately before entering into the agreement;
- the consumer is entitled to receive a written copy of the agreement within 15 days of the date the consumer enters into the agreement. Untimely delivery by the supplier will permit the consumer to cancel an internet agreement within 30 days after the date the agreement is entered into. The supplier is considered to have delivered a copy of the internet agreement to the consumer if it is delivered by fax, e-mail, mail or personal delivery to the address or the facsimile number that the consumer has given to the supplier for providing information relating to the agreement; and
- the consumer will be able to cancel the contract up to 7 days after receiving a copy of it if certain information that is required to be disclosed by the Act and its regulations was not provided, or if the consumer did not have an opportunity to expressly accept or decline the agreement.

Businesses that sell goods or services to consumers through the internet should review and seek guidance regarding their online agreements and the design of their website to ensure compliance with the provisions of the Act.



www.weirfoulds.com

Toronto Office

4100 – 66 Wellington Street West
PO Box 35, TD Bank Tower
Toronto, ON M5K 1B7

Tel: 416.365.1110
Fax: 416.365.1876

Oakville Office

1320 Cornwall Rd., Suite 201
Oakville, ON L6J 7W5

Tel: 416.365.1110
Fax: 905.829.2035