

Right to cancel

1. Under the Consumer Contracts (Information Cancellation and Additional Charges) Regulations 2013 ('the regulations'), which affect contracts agreed on or after 13 June 2014, a practitioner must provide specific information to the client before the contract is agreed if the client is a 'consumer'. In some circumstances the client has the right to cancel. The information that a practitioner must provide depends on the type of contract.
2. A consumer is an individual acting for purposes that are wholly or mainly outside that individual's trade, business, craft or profession. In practice this includes:
 - private clients, trustees and individuals administering deceased's estates, and
 - where a practitioner provides services such as personal tax return preparation either to directors of company clients or to sole traders or partners, the individuals for whom a practitioner prepares the accounts or partnership tax returns.
3. If a practitioner acts for a consumer then the regulations envisage three types of contract:
 - an off-premises contract,
 - a distance contract, and
 - an on-premises contract.
4. The contract type is determined by factors such as where the contract was made and whether and when and where the client had met the practitioner in person before the contract was agreed. As in practice, it can be difficult to distinguish between the three types of consumer contract (as set out above), this guidance has been drafted to give every consumer the right to cancel within 14 days.
5. If a practitioner does not wish to adopt this approach because they do not want a consumer with an on-premises contract to be given cancellation rights when they do not need to be, then please refer to the [legislation](#) and, if necessary, seek specialist advice.
6. A practitioner who is unsure as to whether and how the regulations apply in a specific matter should take specialist legal advice.
7. A practitioner should consider whether to include in their new client file opening forms a checklist to establish whether a client is a 'consumer' so as to ensure that the appropriate notice is sent to those clients and thereby preserve the enforceability of the contract terms – and recovery of fees – against their client.