



## Dealing With Door-to-Door Sales

This publication is intended to provide general information only and is not a substitute for legal advice.

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Door-to-door salespeople sell everything from encyclopedias and magazines to home improvements. If a contract is signed, negotiated or concluded away from the seller's usual place of business, it is considered a direct sale.

### HIGHLIGHTS

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### LICENSING REQUIREMENTS

In Alberta, most companies that sell products door-to-door must be licensed under the *Fair Trading Act* and the *Direct Selling Business Licensing Regulation*. Licensed businesses are required to post a security such as a bond if the contract is worth more than \$25. If you make a purchase and later encounter problems, you may be able to get some or all of your money back by making a claim against the security.

Salespersons must carry identification that includes their business licence number. Before you allow a door-to-door seller into your home or office, ask to see their identification.

Call Service Alberta to confirm that a business is licensed. You can also find this information at the Service Alberta website – [www.servicealberta.ca](http://www.servicealberta.ca) or by calling toll-free 1-877-427-4088.

### No licence required

Some businesses do not require licensing under the *Fair Trading Act*, although they may be regulated by other legislation. Businesses that do not require a Direct Seller Licence include those selling:

- Pre-arranged funerals and cemetery plots
- Insurance
- Lightning protection
- Well-drilling services
- Courses at private vocational schools
- Securities
- Alberta produce sold on farms
- Magazine subscriptions sold by students

- To other businesses
- Real estate
- Mortgage broker services

### THE CONTRACT

Once you decide to buy, make sure you get a signed sales contract. A direct sales contract must include the following:

- Full names and addresses for you and the business
- The name of the sales person (if applicable)
- The company's telephone number and fax (if applicable)
- The date and place of the contract
- A detailed description of the goods or services
- A price breakdown (if applicable)
- A statement of your cancellation rights
- The total price of the contract and the terms of payment
- If the goods and/or services are to be provided later, a delivery date or the start date for services
- The date when all services will be completed and/or goods provided
- Full credit disclosure including details about any security taken for payment
- The value and description of any trade-in
- Your signature and that of the sales representative

### YOU CAN CHANGE YOUR MIND

The *Fair Trading Act* allows you to cancel a sale within 10 days of receiving your copy of the signed contract if:

- The purchase was for more than \$25;
- The purchase was made away from the seller's normal place of business; and  
The purchase was intended primarily for your personal, family or household use.

You have one additional day to reconsider the purchase if the last day you can cancel falls on a Sunday or statutory holiday.

### Extended cancellation rights

You have up to one year to cancel if:

- The seller did not have a required licence
- The sales contract does not include all required information
- The goods are not all provided within 30 days of the delivery date specified in the contract or agreed to in writing by the buyer and seller
- The services are not started within 30 days of the delivery date specified in the contract or agreed to in writing by the buyer and seller

If you accept the goods or allow services to begin after the 30-day period, you may no longer have extended cancellation rights.

The direct sales cancellation rights under the *Fair Trading Act* do not apply to contracts negotiated or concluded at the seller's place of business, a marketplace, auction, trade fair, agricultural fair or exhibition.

In some cases, a business may have its own cancellation policy in addition to the cancellation rights under the *Fair Trading Act*. Make sure any cancellation rights are included in the contract.

## HOW TO CANCEL A CONTRACT

You can cancel a contract by any means as long as you can prove the date that you cancelled it. You can give notice of cancellation in person, by registered mail, by fax or courier.

Notice of cancellation is considered given on the date the letter was postmarked or delivered. Keep a copy of your notice.

You can cancel the contract by sending or delivering the notice to the business or the salesperson at any address on the contract. If you don't know how to reach the supplier, contact Service Alberta at 1-877-427-4088 or visit the website at [www.servicealberta.ca](http://www.servicealberta.ca).

You may keep goods delivered to you under the contract until the seller refunds your money or returns any trade-in that was part of the sale. The seller must provide you with a full refund within 15 days of cancellation. You should then allow the seller to pick up the goods. The business should pick up the goods within 21 days of cancellation.

Sometimes a buyer will sign a contract for services and ask for work to start before the end of the 10-day cancellation period. If you cancel the contract in this case, the seller must still refund your money. However, the seller can then demand that you pay a reasonable amount for the work performed up to the time you cancelled.

## WARNING SIGNS

Watch out for sales pitches like these:

- **Limited offer:** "This is a special price. It's only available today. Tomorrow the price goes up!" The so-called "special price" may really be the standard, everyday price.
- **Price advantage:** "We'll give you a good deal if we can advertise that you are a satisfied customer." The supposed deal may not be in your best interest.

## Cancelling specific types of contracts

**Home renovations:** The cancellation rights outlined in this document also apply to contracts with home renovation businesses if they look for work and discuss a contract away from their usual place of business – e.g. in your home. For more information on home renovations and repairs, please see the tipsheet *Home Renovations*.

**Energy contracts:** If you sign an agreement with a natural gas or electricity marketer for your home, farm or small business, you have a 10-day cooling off period no matter where the contract was signed. Extended cancellation rights apply to natural gas and electricity contracts if the seller came to your home and the contract was signed in your home. For more information on energy contracts, please see the tipsheet *Energy and Natural Gas Contracts*.

## Claiming on the security

If you don't receive a refund within 15 days, contact Service Alberta. You may be able to make a claim against the security if the business was licensed.

You may also be able to submit a claim against the security if the seller has not met the terms and conditions of the security, and if you suffered losses through fraud, breach of trust or misrepresentation. If you believe this has occurred, contact Service Alberta toll-free at 1-877-427-4088 as soon as possible. You have a limited time in which to make your claim.

- **Misrepresentation:** "I'm doing a survey for (names a company or government department) and wonder if you could answer a few questions?" The salesperson may be lying and just wants to gain entry to your home.

### BEFORE YOU BUY

Be sure you can put a check mark in the box beside each of these questions before you make a purchase or sign a direct sales contract:

- Have you asked for identification?
- Are you sure you're not being pressured into buying?
- Are you getting quality for your money?
- Have you shopped around and obtained estimates from other suppliers?
- Have you read and understood the contract?
- Are you familiar with the company's reputation?
- Does the company have a permanent office you can call if you have problems?
- Will the company provide maintenance and repair services?
- Is the business named in the contract the same firm you have been dealing with?

### FOR MORE INFORMATION

For more information about door-to-door (direct) sales or any other consumer topic, contact

#### Consumer Contact Centre

In Edmonton: (780) 427-4088

Toll-free in Alberta: 1-877-427-4088

[www.servicealberta.ca](http://www.servicealberta.ca)

A current version of this and other consumer tipsheets are available at the Service Alberta website [www.servicealberta.gov.ab.ca](http://www.servicealberta.gov.ab.ca). Most public libraries have Internet access if you don't have access at home.