

# TORONTO STAR

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## Consumer rights beefed up

**Tough new Ontario law hailed as 'model' for rest of Canada**  
Overhaul aims to protect buyers, promote fair marketplace

**KERRY GILLESPIE**  
QUEEN'S PARK BUREAU

In nine days, Ontario consumers will have some of the toughest protection laws in the country.

The new Consumer Protection Act — which replaces laws passed in the 1960s and 1970s — covers areas including home renovations, negative option

billing and the cancellation of timeshare and gym membership deals.

The act comes into effect July 30.

The new act, hailed as a model by the Consumers Council of Canada, "protects consumers and promotes a fair marketplace," Government Services Minister Gerry Phillips said yesterday.

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Under the act, when a kitchen renovation goes way over budget, it will come out of the contractor's pocket and not the homeowner's.

The final cost of a home renovation, moving service, appliance repair and other contracts can't be more than 10 per cent above the original estimate.

"Estimates will now have a new, real, legally enforceable meaning," Phillips said yesterday.

The new act more than doubles the maximum fines for businesses who break the rules. Individuals can be fined up to \$50,000 and corporations up to \$250,000.

Other elements of the new act include a prohibition on negative option billing, i.e. charging

► Please see **Consumer, A7**

### What's covered under the new act

- ✦ Consumers can refuse to pay for goods or services not delivered within 30 days of when they were promised.
- ✦ Consumers have the same rights for Internet purchases as for all other purchases, and the same protection when buying and leasing services as buying and leasing goods.
- ✦ The cooling-off period to cancel timeshares, vacation clubs and gym memberships has been doubled to 10 days.
- ✦ The act bans negative option billing — automatically charging for a new service, such as a cable upgrade, unless the consumers say they don't want it.
- ✦ Increased fines for businesses who violate the rules.

# No. 1 gripe: Collection agencies

## ► Consumer From A1

for a new service automatically unless the consumer explicitly refuses it.

Consumers can also refuse to pay for goods or services not delivered within 30 days of when they were promised.

And the cooling-off period for cancelling timeshares, vacation clubs and gym memberships has been doubled to 10 days.

In another change, consumers will have the same rights for Internet purchases as they do for all other purchases.

Ontario's consumer protection legislation was badly in need of an overhaul to catch up to the high-tech world where computers and cellphones are the norm, said Phillips.

When the current laws were written "transactions were completed in a relatively simple manner, a face to face encounter in a store and an exchange of cash, a written contract or even a handshake," he said.

The new law provides "consumers with new rights for the 21st century."

The act applies to goods and services as long as either the consumer or the supplier is in

## Dissatisfied customers

*Top 10 complaints and inquiries to Consumer Services Bureau for 2004*

**Collection agencies** - 5,143  
**Home renovations** - 2,642  
**Motor vehicle repairs** - 1,778  
**Motor vehicle purchase (new and used)** - 1,777  
**Home furnishings** - 1,389  
**Personal items** - 1,348  
**Credit reporting** - 1,241  
**Health and fitness** - 1,025  
**Timeshare and vacation clubs** - 829  
**Cellphones** - 604

*Source: Ministry of government services*

Ontario, but does not apply in areas of federal jurisdiction such as banking.

The government has also produced pamphlets to tell people about the new protections and about consumer rights they already have but may not know

about.

Existing rights include:

► Collection agencies can't call before 7 a.m. or after 9 p.m. and they can't continue to demand payment from someone who claims not to owe money.

► The cost of a car repair can't be more than 10 per cent higher than the original estimate.

Last year, the Consumer Services Bureau received 80,813 phone inquiries and written complaints.

Complaints about collection agencies are on top of the list, followed by home renovations and motor vehicle repairs and purchases.

Most formal complaints are mediated between consumers and businesses, said Rob Dowler, the director of business practices.

But 156 cases were deemed serious enough to investigate and lay charges, he said.

The Consumer Protection Act was originally introduced and passed in 2002 by the then-Conservative government.

It has been working its way through the system with consultations and the drafting of regulations since then.

Yesterday, advocates for both

consumers and businesses seemed pleased with the final results.

"The legislation is a significant advance in consumer protection," said Joan Huzar, president of the Consumers Council of Canada.

"Ontario's new consumer laws are a model for other jurisdictions to follow," she said in a statement.

Diane Brisebois, president and CEO of the Retail Council of Canada, said the new Consumer Protection Act "ensures Ontarians can be confident with the goods and services they receive, and that's good business for everyone."

More consumer protection is on the way, Phillips said.

The Real Estate and Business Brokers Act, which is expected to become law later this year, will strengthen prohibitions against false and misleading advertising.

It will also increase fines and penalties for those who ignore the rules.

And the Motor Vehicles Dealers Act, which is expected to become law in 2006, will give consumers more protection when they buy a vehicle.