HOUSE OF COMMONS LIBRARY

BRIEFING PAPER

Number CBP5632, 20 March 2020

Doorstep selling

By Lorraine Conway

Contents:

Contents

Summary

Doorstep selling or cold calling refers to a salesperson making an unsolicited call for the first time at a person's home to sell goods or services face-to-face. It is not unusual for constituents to complain about the unscrupulous tactics used by some doorstep salesmen, resulting in them being pressured into buying goods or services they did not want.

In the UK, there is no law to prevent doorstep selling. However, all traders must comply with the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 (known as 'the consumer Contracts Regulations') or face possible prosecution by Trading Standards.

It is also possible for a local community to set-up its own "No Cold Calling Zone". This is where residents work with their local authority Trading Standards services and the police to stop uninvited salespeople from calling at homes in a designated street or area.

This Commons briefing paper provides an outline of the key provisions of the Consumer Contracts Regulations. It also provides information on how "No Cold Calling Zones" work in practice.

1. Background

1.1 What is doorstep selling?

In the UK, there is no law to prevent doorstep selling. It is a legitimate way to canvas business. However, all traders must comply with the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013.

Doorstep selling can attract criticism. In particular, if it involves a high-pressure salesman making an unsolicited visit to a vulnerable person's home to sell them goods or services they do not want or need (see below).

1.2 Does the trader need a licence to cold call?

A trader does not need a licence to cold call. However, if the trader is selling goods door to door they will require a pedlar's licence, issued by the police. Anyone who cold calls offering services, such as home maintenance work, does not need a pedlar's licence.

1.3 Past reports, PQs and regulations

In 2002, Citizens Advice published a report, "Door to Door", which looked at a wide range of goods and services sold at the door and the problems reported to Citizen Advice Bureaus (CABs).[1] The report was submitted to the Office of Fair Trading (OFT) as a super-complaint. (The OFT was responsible for protecting consumer interests throughout the UK, the office closed on 1 April 2014).

In response, the OFT conducted its own market study of doorstep selling and, in May 2004, it published a report which included seven recommendations for improving consumer protection. In July 2004, the Government launched a public consultation on the issue of doorstep selling.

On 19 March 2007, during the Second Reading of the Consumers, Estate Agents and Redress Bill, Ian McCartney, then Minister for Trade, made a case for tighter regulation of uninvited traders calling at peoples' homes:

> Breaking down the distinction between solicited and unsolicited visits will make the law simpler and clearer for the consumer, business and enforcement agencies alike. Businesses will be able to work with one contract for both solicited and unsolicited visits, reducing ongoing costs in the production of contracts and training of sales staff. The simpler rules will ensure that businesses will not generally need to spend time establishing whether their visit is solicited or unsolicited. The provisions are particularly important for vulnerable consumers who—having invited a salesperson into their home—can feel pressured into buying something they do not want or need. Together with the unfair

1 Citizens Advice, "Door to Door – CAB clients experience of doorstep selling", September 2002, (online) (accessed 20 Match 2020)

> commercial practices directive, the measure sends a clear message that businesses that lack integrity and feed on fear will not be tolerated.[2]

On 31 January 2008, the Government was asked a PQ on what steps it had taken to reduce the number of crimes involving bogus callers:

> **Mr. Jim Cunningham:** To ask the Secretary of State for the Home Department what steps the Government has taken to reduce the number of crimes which involve bogus callers.
>
> **Mr. Coaker:** Crimes involving bogus callers can have a devastating effect on an individual's or even a whole community's quality of life. This is particularly the case with older and more vulnerable victims. That is why we continue in our work to confront and tackle crime and have been involved in a number of campaigns and initiatives relating to distraction burglary.
>
> The Government, working with third sector organisations, has produced a wide range of tools for practitioners (such as good practice guides) and information for potential victims, carers and those in regular contact with the vulnerable. This has focused on encouraging the reporting of bogus callers and promoting positive doorstep behaviour.
>
> To enhance the police response to distraction burglary, we have worked with the Association of Chief Police Officers to establish a national distraction burglary database and intelligence network to facilitate the sharing of intelligence and support joint operations between forces and with other enforcement bodies including Trading Standards. We are currently working with the water industry to explore what can be done to tackle crimes involving bogus water officials.[3]

This was followed, on 29 January 2008, with the publication of a Government consultation on draft regulations. The Cancellation of Contracts Made in a Consumer's home or Place of Work etc. Regulations 2008 (known as the "Doorstep Selling Regulations") were made under section 59 of the Consumers, Estate Agents and Redress Act 2007 and came into force on 1 October 2008. The aim of the Regulations was to provide people with some legal protection if they agreed to by goods or services on the doorstep or in their home.

However, for all doorstep sales made on, or after, **13 June 2014**, the new Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 now apply, replacing the Doorstep Selling Regulations (see below). Local authority Trading Standards services enforce the Regulations.

---

2 HC Deb. 19 March 2007 c.596
3 HC Deb 31 Jan 2008 c 512W

2. The Consumer Contracts Regulations

Box 1: Summary of the new Consumer Contracts Regulations

For all doorstep sales made on, or after, **13 June 2014**, the new Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 (known as 'the Consumer Contracts Regulations') apply. The new Regulations have replaced the Doorstep Selling Regulations.

The aim of the Consumer Contracts Regulations is to protect a person when they enter into a contract as a result of an uninvited salesperson coming to their home, place of work or during an excursion arranged by the company. A person also has protection when they enter into a contract during off-business premises sales.

Under the new Consumer Contracts Regulations:

- The cancellation period for doorstep sales has been extended to **14 calendar days** after delivery of the goods.
- For service contracts the cancellation period is **14 calendar days** after the contract has been entered into.
- However, there are exceptions, including perishable items (such as foodstuffs) and personalised items.

For all doorstep sales made on, or after, **13 June 2014**, the new Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 (known as "the Consumer Contracts Regulations") apply, replacing the Doorstep Selling Regulations.[4]

The Regulations, which implement the Consumer Rights Directive[5] in the UK, apply to items bought:

- online,
- at a distance, or
- away from a trader's premises (for example, at home or at work)

In a nutshell, the Regulations make it an obligation for traders to give consumers certain pre-contract information and impose amended cancellation periods.

2.1 Key features of the new Regulations

Key features of the new Consumer Contracts Regulations are set-out below under relevant sub-headings.

4 The Cancellation of Contracts made in a Consumer's Home or Place of Work Regulations 2008. The new Regulations also replace the Consumer Protection (Distance Selling) Regulations 2000

5 The Directive on Consumer Rights (2011/83/EC) replaces, as of 13 June 2014, Directive 97/7/EC on the protection of consumers in respect of distance contracts and Directive 85/577/EEC to protect consumer in respect of contracts negotiated away from business premises.

Pre-contract information

- Pre-contract information (outlined in the Schedules to the Regulations) must be provided. The Regulations notably introduce an extended list of pre-contract information for distance and off-premises contracts, including that a model cancellation form must be provided where the consumer has a right to cancel.
- Where this information is not given in relation to off-premises contracts, the trader will commit a criminal offence and could be fined. The duty also extends to on-premises contracts.

Cancellation and returns

- The Regulations give consumers an extended 'cooling-off' period for distance and off-business premises contracts of up to **14 calendar days** after delivery (for goods) or conclusion of the contract (for services).
- Consumers also have the right to cancel any ancillary contracts. An ancillary contract can be for goods or services relating to the main contract. It can be either provided by the trader or provided by a third party as a result of an arrangement made by the trader. (An example of an ancillary contract might be a purchased extended warranty on the product).
- The cancellation period is extended to **12 months** if the trader has not provided appropriate pre-contract information. (It seems this 12-month period can be reduced to 14 days though, once the failure is corrected.)
- Goods should be delivered without undue delay. This should be **within 30 days** at the very least, unless the consumer agrees otherwise
- In respect of refunds, consumers must return goods or show evidence of return to obtain a refund. For distance and off-premises contracts, consumers can be required to return goods within **14 calendar days** of cancelling the contract.

Payments

- Express consent has to be given by consumers where extra payments will be charged in addition to the price paid for goods/services. (Pre-ticked boxes, for instance, are not acceptable.)
- A consumer will not be liable to pay any costs they have not been told about before entering into the contract
- For distance and off-premises contracts, traders must make it clear where proceeding with an online transaction results in payment.
- Traders will now be restricted in the fees chargeable for use of certain payment methods (as provided for under the Surcharges Regulations).

Extras

- Calls to consumer helplines must be charged at basic rate, rather than any premium rate.

- 'Digital content', such as music or video downloads, are regarded essentially as a different type of transaction, so traders must fulfil additional requirements.

Digital content

- For the purposes of the Regulations, digital content is taken to mean data "produced and supplied in digital form." For both on-premises and off-premises contracts, the pre-contract information now has to detail:
  - the functionality of digital content (that is, the ways in which it can be used) and the presence of any technical restrictions;
  - any relevant compatibility information – providing the version number, operating system it can be used with and compatible hardware/software; and
  - technical protection measures in place for digital content
- In respect of distance or off- premises contracts, the new rules affect the cancellation of contracts for supplying digital content:
  - Where the content is on a tangible media, it is to be regarded as a sales contract. So, if the contract is cancelled, the rules require that the goods are returned within **14 calendar days**. (The other return of goods stipulations also apply, except in certain circumstances for sealed audio recordings, video recordings and software if unsealed after delivery.)
  - If the content is not on tangible media, the consumer has a right to cancel. However, where the consumer consents to immediate delivery and acknowledges this will forfeit their rights, the cancellation right may be lost.

2.2 Exemptions or exclusions to the Regulations

There is a list of contracts to which the Consumer Contracts Regulations do not apply. This includes:

- Contracts for goods or services that are worth less than £42.
- Contracts for the supply of perishable goods (such as food and drink) for household consumption, when supplied by a trader undertaking frequent and regular 'rounds' to homes.
- Contracts for medical products.
- Land, insurance, credit and investment contracts.
- Contracts involving package travel, or passenger transport services.

2.3 Enforcement

The Regulations are enforced by local authority Trading Standards services. Enforcement officers' involvement is to protect consumers from misleading or aggressive sales practices (e.g. the same trader keeps returning after they have been told by the homeowner to go away).

In recent years, cold callers selling home maintenance and improvements has been an issue (e.g. offering to tarmac drives, carry out roof and gutter repairs etc) with consumers pressured into agreeing terms that they would not normally agree to because someone is standing on their doorstep. In some cases, consumers receive poor quality work at an excessive price. It is important, therefore, that under the Regulations, consumers have 14 days in which to cancel most types of contracts agreed on the doorstep.

Some local authority Trading Standards services run campaigns to discourage people from buying goods or services on the doorstep from an unknown trader. The aim is to raise awareness and reduce the risk of people being the victim of a scam. "No cold callers" door stickers may also be provided by Trading Standards to householders; the aim is to empower the householder to simply point at the sticker and say "no" to the cold caller. Many local authority Trading Standards services are also involved in monitoring "no call calling zones". These are roads or areas where all the residents (or most) collectively refuse to engage with cold callers. Prominent "no cold calling" signs erected throughout the zone are also intended to act as a deterrent. For further information, see below to **Section 3** of this paper.

3. No Cold Calling Zones

3.1 Background

An important development has been the introduction of 'No Cold Calling Zones' in various parts of the country. A No Cold Calling Zone is a designated area where the resident community declare they no longer wish to accept traders calling at their homes without an appointment. Such zones are actively supported by Trading Standards.

The first pilot zone was launched in Cranbrook in 2006 by Tunbridge Wells Community Safety Partnership. There are now many hundreds of No Cold Calling Zones nationally and more planned. For example, there are zones operating in Luton, Lincoln, Hampshire, Kent, Nottingham, Enfield, Croydon, Norfolk and Newcastle.

No Cold Calling Zones are viewed as a community safety initiative which aims to reduce the likelihood of residents, particularly old and vulnerable people, becoming victims of rogue traders, distraction burglaries and scams. For example, a recent scam has been for bogus callers pretending to be officials (such as HMRC officials) in order to encourage a person to provide bank account details or other valuable personal information.

Consumers of all ages can be the victim of a scam. As Citizens Advice points out, it is often thought that older people are the most likely to fall for scams, but while this does happen, other age groups can be just as likely to be taken in:

> If you're aged between 35 and 45, you can be caught out by too-good-to-be-true offers and get-rich-quick schemes, especially if you've suffered a difficult situation such as a job loss. For example, there are training scams which affect people who are hoping to improve their employment chances but which will defraud you of all your money instead.
>
> […] People are often embarrassed to admit they have fallen for a scam or simply refuse to believe they have been conned.[6]

Although anyone can fall for a scam, vulnerable people are more likely to be targeted. Older people and people with mental health problems, learning difficulties or dementia are especially vulnerable to scams.

3.2 How do 'No Cold Calling Zones' work?

A zone is designated via the installation of signs at the entrance and exit to the zone and residents are supplied with educational advice, information and door stickers. Residents are also given telephone numbers to ring if they are concerned about anyone knocking on doors in the neighbourhood. Trading Standards Officers and/or the Police will usually respond to the call and, where appropriate, can demand to see identification.

In order to inform legitimate callers, letters are usually sent to interested parties such as utility companies explaining the scheme. For legitimate

---

6 "How to spot a scam", Citizens Advice website, [online] (accessed 20 March 2020)

callers, the scheme simply reinforces good practice and those who correctly follow the National Cold Calling Protocol will not be prevented from doing their work. The key principles of the protocol are that organisations that make personal calls on people at their homes are required to:

- make pre-arranged appointments where possible
- provide identity cards and offer the opportunity for the householder to check their identity
- explain the purpose of the visit
- be willing to call back at a later date and time if the householder so requests

Many local authorities provide information on setting up zones on their websites.

In terms of getting started, the support of partner organisations is essential to the scheme's success although the inclusion of particular agencies may vary from area to area. Trading Standards will always need to be involved, as they will take lead actions in its implementation. Other agencies to consider are the police, local councils and Neighbourhood Watch etc.

About the Library

The House of Commons Library research service provides MPs and their staff with the impartial briefing and evidence base they need to do their work in scrutinising Government, proposing legislation, and supporting constituents.

As well as providing MPs with a confidential service we publish open briefing papers, which are available on the Parliament website.

Every effort is made to ensure that the information contained in these publicly available research briefings is correct at the time of publication. Readers should be aware however that briefings are not necessarily updated or otherwise amended to reflect subsequent changes.

If you have any comments on our briefings please email papers@parliament.uk. Authors are available to discuss the content of this briefing only with Members and their staff.

If you have any general questions about the work of the House of Commons you can email hcenquiries@parliament.uk.

Disclaimer

BRIEFING PAPER
Number CBP5632
20 March 2020