



The Consumer Protection Act

By Douglas A.S. Paterson, Q.C.

We are all consumers of something. In Manitoba, the Consumer Protection Act helps provide certainty, process and protection for today's modern consumer.

The Act begins by referring to loan agreements and borrowing. When making a consumer purchase, a borrower must be given a copy of the loan agreement and has a right to demand an accounting. Timing of delivery of goods purchased can be a very important issue. Rights and procedures are set out relating to master agreements, security available, and refinancing issues. This Act even regulates advertising for loans and sets penalties if the rules are breached.

Detailed rules for pre-payment privileges and defaulting on consumer loans are also set out.

"Time sales" are also covered by this Act. These involve rent-to-own type of purchases. The seller/lender must follow strict rules if the buyer/borrower defaults, including a mandatory waiting period after seizure by

the lender. The buyer has full right to notice and right to redeem or pay off the balance in default. After seizing an item where payments are in arrears, the seller/lender may not sue for the balance – this is the seize or sue option rule. As well, any lien placed against the item by the lender is cancelled once the lender obtains a judgment for the balance owing.

On retail sales of goods where warranties exist, the conditions of the warranty must be clear and can vary somewhat depending if the sale was for cash or on time. The goods or items must be of merchantable quality consistent with their description and fit for the purposes intended and any express warranties must be clearly shown. Mediation of warranty disputes is required. A seller can be held to be personally liable, not just the company.

Direct sellers are controlled by this Act. This covers door-to-door sales. Certain sales practices, such as gifts or prizes

for referrals to other buyers, are prohibited.

A buyer has a right of cancellation of the sale within 10 days, if certain conditions apply.

The Consumers Bureau is set up under the Act whereby an appointed Director may receive and investigate consumer complaints. All information given by the complainant is confidential; access to records by the Director is also mandatory.

The licensing section of the Act covers most vendor direct sales such as magazine sales, vacuum cleaners, household cleaners, and collection agencies.

Collection agents are prohibited from being unfair and cannot use certain unsavory collection tactics set out in the Act. The law relating to wrongful seizure or collection is also codified as well as strict trust accounting rules and care of seized goods. Collection agents cannot use the phone or a personal visit to demand payment on a Sunday,

holiday or between 9:00 p.m.
and 7:00 a.m.

Credit card use and rules where
the card is lost are also covered
by the Act as well as prepaid
services and internet purchases
of goods and services.

This Act is very versatile and
compared to a lot of legislation
its quite up to date and relevant
to today's modern consumer.