

Consumer Contract Rules to Change Significantly from June

Companies will face serious legal consequences if they fail to meet their obligation to provide information as set forth for consumer contracts, the expert of Kovács Réti Szegheő Attorneys at Law said to origo. The new government decree on the detailed rules of consumer contracts between consumers and companies taking effect on 13 June 2014 extends the period available for exercising the right of withdrawal from 8 to 14 working days, emphasised dr. Enikő Vida.

The Government Decree lays down detailed rules on the conclusion of distant consumer contracts and consumer contracts negotiated away from business premises and on the right of withdrawal from such contracts.

The difference between the two main types of consumer contract is that a distant contract is concluded without the simultaneous physical presence of the parties, with the exclusive use of a means of distance communication (contracts concluded on the Internet), pointed out the expert of Kovács Réti Szegheő Attorneys at Law.

In respect of contracts negotiated away from business premises, the parties are physically and simultaneously present in a place which is not the business premises of the company. This latter category includes contracts concluded during a trip organized by the company with the aim to sell or promote goods or services to the consumers.

Companies are required to provide information to the consumers

The Government Decree gives an exhaustive list of the pieces of information to be supplied by the company to the consumers. Dr. Enikő Vida emphasised: the company shall inform the consumer of the total price, including VAT, payable for the goods or services set forth in the contract or the method of calculation of the price.

Consumers shall also be informed of all additional expenses (particularly including shipping or postal charges) or, where these expenses cannot reasonably be calculated in advance, the fact that further expenses may be incurred.

Consumers are not bound to pay the expenses in respect of which the company fails to meet its obligation to provide information, stressed the expert of Kovács Réti Szegheő Attorneys at Law.

Consumers shall also be informed of the period available for the exercise of the right of withdrawal and any other condition of the withdrawal as well as the option to use the sample withdrawal form in Annex 2 of the Government Decree.

If the company fails to meet its obligation to provide information as above, the 14-day period available for consumers to withdraw from the contract without giving any reason will be extended by twelve months.



Exercise of the right of withdrawal

Consumers can exercise the right of withdrawal within 14 days from the date of receipt of the product by the consumer or an appointed third person other than the carrier in case of a contract for the sale of a single product, or from the date of receipt of the last product in case of a contract for multiple products sold at different times.

For products consisting of multiple lots or pieces, consumers can exercise the right of withdrawal within 14 days from the date of receipt of the last lot or piece by the consumer or an appointed third person other than the carrier or, for contracts for regular delivery during a defined period of time, within 14 days from receipt of the first item or piece.

In the case of contracts for the provision of services, the withdrawal period shall begin from the day of the conclusion of the contract.

The Government Decree specifies the cases where the consumer may not exercise the right of withdrawal. For example, consumers may not exercise the right of withdrawal for non-prefabricated products manufactured on the consumer's instructions or at the consumer's express request or for products tailored to the consumer's needs.

Further, consumers may not exercise the right of withdrawal in the case of contracts for the provision of accommodation, transport of goods, car rental services, catering or services related to leisure activities if the contract provides for a specific date or period of performance, pointed out dr. Enikő Vida.