



Bob Aaron bob@aaron.ca

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Proposal would protect consumers

Movers, renovators would have to stick closer to estimate.

When Erin O'Connor planned the move into her new house, she wasn't expecting the huge hassle she had with her movers. Before the move, her belongings had to be placed in storage temporarily, and she called a local moving company which quoted an hourly charge and a job estimate over the phone.

When the movers arrived without dollies, they had to carry each box by hand to the moving truck.

Since they were being paid by the hour, it didn't matter to them that the move was taking longer than the quoted six hours. That wasn't the worst of it. Before the goods were unloaded, the movers "turned nasty," O'Connor said. "They insisted I sign a contract that waived their responsibility for breakage and storage. They refused to give me a copy of it.

"They threatened to dump all my stuff on the sidewalk," she said. "They were holding me hostage and I was coerced into signing the contract."

By the time her move was over, her bill was 50 per cent higher than she had budgeted for, and several pieces of furniture were damaged. She wound up paying for nine hours compared to the original estimate of six.

Another consumer complained to the Ministry of Consumer and Commercial Relations that a mover quoted a price of \$5,600 but presented a bill of \$6,900 and demanded payment before the goods were delivered.

Events such as these should soon be a thing of the past if the provincial government proceeds with its plans to enhance consumer protection in this field.

Last month, Consumer and Commercial Relations Minister Robert Runciman released a consultation paper entitled Consumer Protection for the 21st Century. (The paper is on the Web at www.ccr.gov.on.ca or call 416-326-8537.) The ministry calls a transaction which is not fully completed at the time it is entered into a "future performance" contract. Under the government's proposals, quoted estimates for future performance contracts - such as household moving - must be binding within 10 per cent. Charges above the 10 per cent margin will be permitted only with the consumer's consent in advance.

For example, if the mover discovers the bedroom set won't fit up the stairway, an extra charge might be permitted for the unanticipated problem. Clarified rules requiring price disclosure would allow either a fixed price, an hourly rate or some other calculation method that is transparent to the consumer.

Government statistics show that the use of low estimates to lure consumers into contracts - such as renovations, moving or appliance repairs - is a recurring problem. As in Erin O'Connor's case, some sellers increase their estimated price substantially when they submit the final bill. The supplier retains the consumer's goods, with the implication that the return of the goods requires the customer to agree to the inflated price.

In problem situations reported to the ministry, the final charge made to consumers by repair people, home renovators and movers exceeded the estimate by an average of 50 per cent. (This applies only to the complaints, not to estimates by all repairers, renovators and movers.)

In addition to ensuring that sellers cannot enforce payment of prices inflated substantially above the original estimates, the government proposes that attempting to hold a consumer's goods hostage to force renegotiation of a contract should be an offence subject to prosecution.

The proposed remedy for failure to disclose is that consumers would not be liable to pay charges that have not been properly disclosed up front. Appliance repair is another area where the use of estimates frequently causes complaints to the ministry. A consumer with a broken fridge was debating whether to repair or replace it. A repair service estimated that repairs would cost "a couple of hundred dollars." After the repairs were done, the bill came to \$640.

At present, only auto repair work is subject to specific requirements for estimates and disclosure under the Motor Vehicle Repair Act. The same protection should soon be available to consumers who are moving, renovating, or repairing appliances.

Queen's Park has been zealous lately in protecting consumers against unfair business practices. In July, a driveway paving contractor was charged and convicted for failing to register his business name and for 24 counts of unfair business practices.

Consumers testified that they had signed contracts with Raymond Nugent, who operated Dura-Lock Interlocking Contractors and Pro-Loc Interlock Contractors, for the installation of driveways. The work was started but never completed, and refund requests were ignored.

Nugent received just under two years' imprisonment and was ordered to pay \$60,901 in restitution.

The latest consumer protection proposals are not the end of the government's move to enhance consumer protection. Consultations regarding specific legislation in the areas of real estate and business brokers, the travel industry and motor vehicle dealers are expected to be announced shortly. Watch for details as they become available.