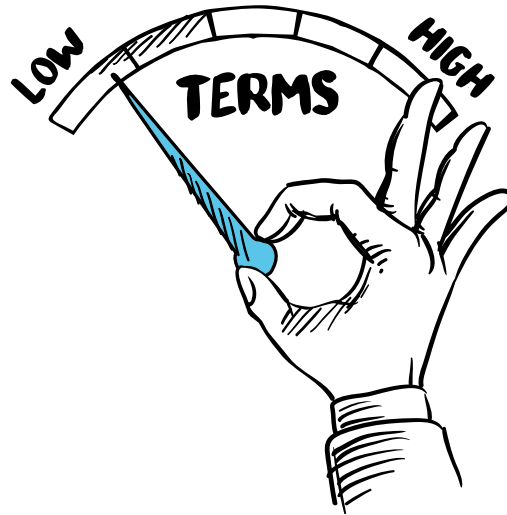


# CHANGING THE TERMS OF A CONTRACT (VARIATION CLAUSES)

## AT-A-GLANCE GUIDE

EXPLAINED

If you have a term that gives you the right to **change elements** of a contract, after it has been agreed with your customer, this is known as a variation clause. You might try to use this type of term to adapt a long-term contract if the circumstances around it change.



Variation clauses are likely to be unfair if they have the effect of a 'blank cheque', allowing you to adjust an agreed price at your discretion, or to change other important agreed aspects of the contract **to suit yourself**.

A term that gives you the right to make changes regardless of the consent of your customer may also be 'blacklisted' in some circumstances by legislation. These terms may be challenged on that basis, without needing to prove that they have failed the "fairness test".

## TIPS FOR WRITING **FAIR** TERMS

For example, your terms are more likely to be fair if:



**YOU EXPLAIN  
WHAT, WHEN  
AND HOW A  
CONTRACT  
MAY CHANGE**

So your customers can make an informed decision whether to enter the contract in the first place.

**YOU ALSO GIVE  
REASONABLE  
NOTICE AND  
A RIGHT TO  
FREELY CANCEL**

So your customer can go elsewhere if they are unhappy with the change, without being left worse off.



**AN UNFAIR TERM IS NOT LEGALLY BINDING  
ON YOUR CUSTOMER. ENFORCERS CAN ALSO  
TAKE ACTION TO **STOP YOU** USING IT.**

# TERMS THAT MAY BE UNFAIR INCLUDE:



Allowing the price of a product or service to be raised without seeking your customer's agreement before doing so or being unclear as to what increases your customer can expect.

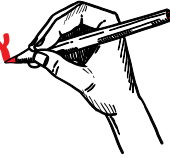
## EXAMPLE

|| The price may be adjusted if costs relating to the order increase prior to delivery. ||

DELIVERY:

~~TUESDAY~~

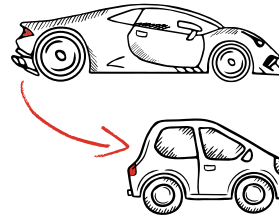
FRIDAY



Allowing the business to arbitrarily change the details about when/how a service will be delivered.

## EXAMPLE

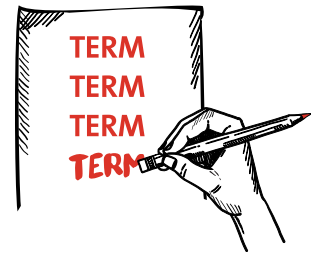
|| The Company may make changes to the dates, times and content of its courses without prior warning. ||



Allowing the business to arbitrarily change the description or nature of the product from what was previously agreed.

## EXAMPLE

|| All materials used may vary in colour and finish. ||



Allowing the business to change, at its discretion, any of its terms.

## EXAMPLE

|| The company may at any time vary or add to these conditions as it deems necessary. ||



## HAVING CLEAR AND FAIR TERMS IN YOUR CONTRACT WILL

- SAVE YOU TIME
- HELP PREVENT DISPUTES AND REPUTATIONAL DAMAGE
- PROTECT YOUR BUSINESS IF SOMETHING GOES WRONG

## WANT TO KNOW MORE

[Introductory guide](#) – click here for an overview of some of the key things you need to know about unfair terms.

[Individual guides](#) – see our other guides on contract terms that may be unfair.