

COMMON MYTHS ABOUT CONTRACT TERMS



AT-A-GLANCE GUIDE

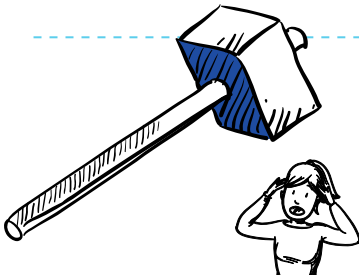


It's written and signed so it's legal.

A contract term and notice has to be fair to be legally binding on your customer. If it isn't, they can challenge it – including in court if necessary. Enforcers (such as the CMA and Trading Standards) can also bring cases to stop you using it.

If I decide to cancel the contract, it's ok to include terms which allow my business to use advance payments to make up for all lost revenue.

A term which allows you to cancel the contract, whatever the circumstances, and states no refund is available is likely to be considered unfair. Where there is no fault by your customer and the contract is ended by you, the customer may well have a right to a refund.

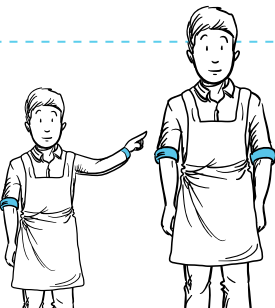


It's ok to use terms, which 'penalise' a customer for breaking a contract.

If your customer cancels and it's not your fault, you've got the right to protect yourself, but what you keep must take into account what your business is actually losing as a result. It must not be excessive.

I can use contract terms to limit my liability for some things – I can't be held responsible for everything.

Any terms limiting your liability must be fair and you can't use your terms to take away or reduce your customer's "statutory rights".



I've copied this contract from a bigger business, we've used it for years so it must be ok.

You can't assume that terms in a contract you've borrowed and adapted are fair. In any event, what applies to one business won't necessarily be appropriate to yours – so you must check and update your terms, seeking legal advice if necessary.

You need legal jargon to sound official.

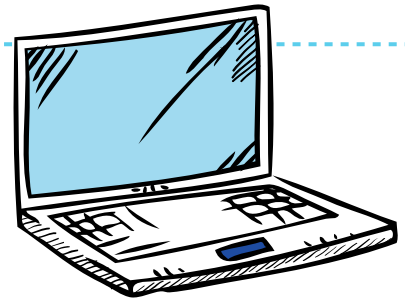
Legal terminology should be avoided. Terms must be clear and a customer must be able to understand them.

You can hide things in the contractual small print.

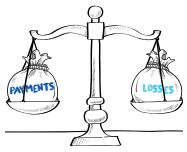
You must make it easy for customers to read the important terms in a contract and highlight anything that could come as a surprise or may have a significant impact on them. Otherwise the term may be unfair and unenforceable.



USE OUR **ONLINE FORM** TO SEE WHAT TERMS ARE MOST RELEVANT FOR YOUR BUSINESS



Our individual '**at-a-glance**' guides provide a starting point for understanding some of the common types of terms where unfairness can arise. They cover the following areas:



Deposits, advance payments & cancellations



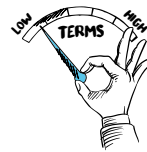
Excessive charges & financial sanctions



Cancelling a contract – when and how



Responsibility if things go wrong



Changing the terms of a contract



Subscriptions & automatic rollover



Other terms that can be unfair



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.