

HOW TO CANCEL A CONTRACT

Trap

Jennifer asked a friend if she knew someone who could do some remodeling at her Lake Park home. Mike came highly recommended, and Jennifer's friend said she never had any problems. However, after signing the contract and paying a \$3,000 deposit, Jennifer did some checking and found the "contractor" was not properly licensed to do the work. Worried, she called the contractor to cancel the job, but he told her he already purchased the materials! She considered contacting a lawyer but couldn't afford the cost. How could Jennifer have protected herself?

Tips

Here are some important tips to consider before signing on the dotted line:

- Never sign a contract before reading and understanding it. If you feel pressured, ask for a copy to review when you have the time, or just walk away.
- If the contract contains a cancellation clause or refund policy, follow the terms exactly. Usually, cancellation notices are required to be sent by certified mail within a specified timeframe. Ask for a return receipt to verify delivery, and keep a copy for your file.
- The Federal Trade Commission has a "Cooling-Off Rule" but it doesn't cover everything. Generally, if you buy an item in your home or at a location that is not the seller's place of business, you may have the option to cancel three days after the sale. Check <http://www.ftc.gov> for details. There are exceptions, e.g., in Florida you do not have this option with vehicle purchases.
- Businesses must be properly licensed or certified to do the job. Verify their contractor's license status with the State Department of Business and Professional Regulation at: <http://www.myfloridalicense.com> and Palm Beach County Contractors Certification at: <http://discover.pbcgov.org/pzb/contractors/>
- And never believe anyone who says it's OK to cancel by telephone.

For more information, call Palm Beach County Consumer Affairs at 561-712-6600 (Boca/Delray 888-852-7362 toll free)