

CONSUMERS ENTER INTO A CONTRACT WITH BUSINESSES IN ANY TRANSACTION



When consumers make purchases online or physically, they enter into a contract with the business establishment for the goods or services purchased which includes:



Return and
refund policies



Terms and
conditions



Privacy
policies



Purchase or rental
agreements

The contract would often be a standard form contract where the terms are:



Prepared by the
business



Have not been
negotiated by the
consumers

These contracts should be fair and not create significant imbalance between the rights and responsibilities of both the business and the consumer.



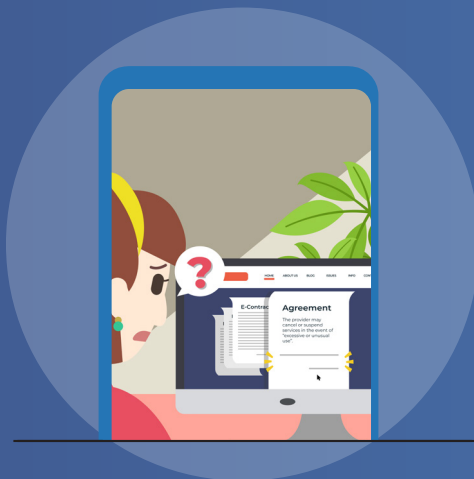
CONSUMERS SHOULD BE ON THE LOOKOUT FOR UNFAIR CONTRACT TERMS



A contract can be considered unfair if its terms place an excessive burden on the consumer compared to the seller.



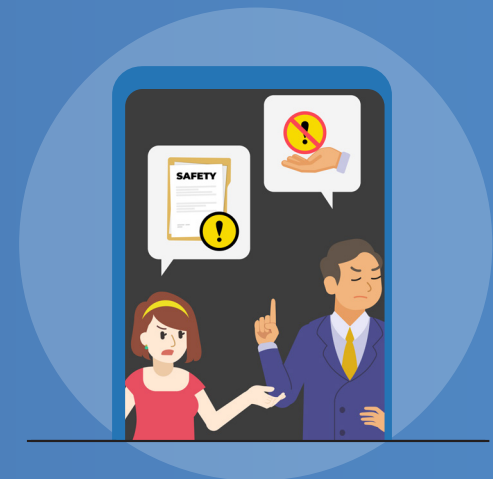
Common examples are:



Contract terms which are unclear, too hard to find, or too complex, making it difficult for consumers to understand, or make informed decision.



Contract that is automatically renewed and the period set for the consumer to express not to renew the contract is unreasonably early.



Contract terms that exclude a seller's liability for death or personal injury caused by the seller's act or omission.

If consumers come across unfair contract terms, they can:



Seek clarification from the business and demand revisions.



Obtain guidance from the relevant authorities to address the issue.

BUSINESSES SHOULD PREPARE FAIR CONTRACT



In many countries, contracts are no longer enforceable and/or prohibited by consumer protection laws if they are found to be unfair to consumers.

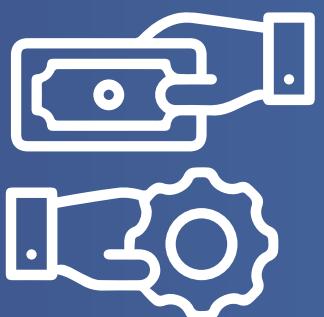
Businesses should therefore apply contract terms that ensure:



Accurate and
transparent
information



Adequate scope of
liability for breach
of contract



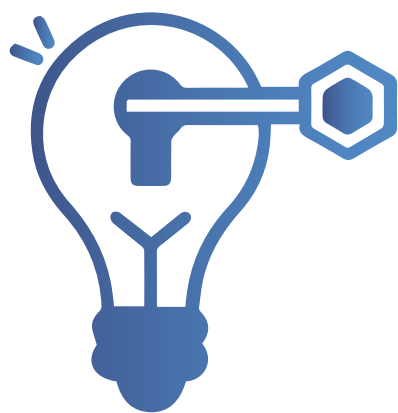
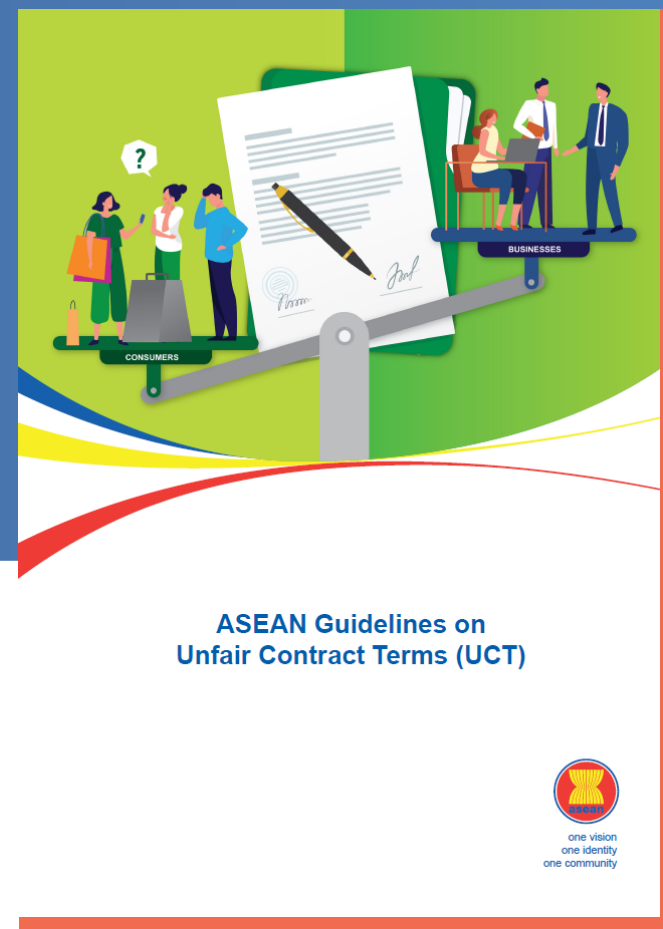
Appropriate dispute
resolution and redress

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ASEAN GUIDELINES ON UNFAIR CONTRACT TERMS

The ASEAN Guidelines on Unfair Contract Terms (UCT) recognize the importance of UCT in consumer law and cover:



Key principles



International
good practices



Recent regulatory
developments



Enforcement
approaches

For more information on Unfair Contract Terms, please review the Principles, Blacklisted Terms and case example sections of the Guidelines.

