

# Cell Phone Contracts: Legal Protections

Exercice



Having a phone can seem almost as important as having air to breathe. But take time to understand the contract that comes with the phone, especially if it's your "first time". Quebec law protects consumers in many ways. But people with cell phone contracts also have some responsibilities.

## Can you have your own cell phone contract?

- You have the right to sign a contract for a phone plan even if you are less than 18 years old.
- The merchant can ask for a **guarantor (surety)** to make sure your contract will be respected. In plain language: the merchant can ask that an adult – your mother or your father, for example – commit to pay in case you are not able to pay your bill.
- You can **cancel a contract that's too unfavourable towards you** in certain cases. It would be possible, for example, if you committed to paying a phone plan that's too expensive when you have no income. Be careful! Your parents could still have to pay for you.

## Can you make purchases without your parents' permission?

You have the right to manage the money that you earn from working, except if you earn a lot of money. You can also buy things for your everyday needs. But you need your parents' permission for more important purchases.

## Your phone doesn't work? The law can help

The phone you buy comes with warranties.

### There are three kinds of warranties:

**A legal warranty** is free. It means that the merchant must provide you with a phone that works properly for a reasonable length of time.

**A manufacturer's warranty** – or a merchant's warranty – is often included in the cost of the phone. It protects you (in part) if the phone doesn't work properly.

And then there's an **extended warranty** that merchants often try to sell you.

### How warranties protect you

Merchants have to repair a new phone that doesn't work properly. In some cases, they must even give you a new phone or a refund.

You might have to pay for some repairs, but **only if this is clearly written in the contract describing the warranty**.

Merchants **can't make you pay for services you couldn't use** while the phone was being repaired. For example, you don't have to pay for data services if you can't access the internet with the phone the merchant lends you while yours is being repaired.

**Important!** Most warranties don't cover problems that you caused. For example, if you drop your phone in water, you will probably have to pay to replace it.

**More information on this topic?** See our article Understanding the warranties on your purchases.

### Want to cancel the contract? Watch out for cancellation fees

You usually have to pay **a fee** to cancel a contract **before the date** stated in the contract.

The cancellation fee **depends on the phone discount** you got when you signed the contract. The higher the discount, the higher the fees. But the closer you are to the end of your contract, the lower the fee.

## What if you didn't get a phone discount?

The rule is simple: the cancellation fee is 10% of the amount left to pay on the contract, but it can't be more than \$50.

Suppose you have a two-year contract. If you pay \$50 a month and you cancel five months before the two years are up, the amount left to pay is \$250 (5 x \$50). In this case, you'll have to pay \$25 (10% of \$250) because this is less than \$50.

If you didn't get a phone discount and the contract doesn't end on a fixed date, there is no **cancellation fee**.

**You can find out more** about cancelling cell phone contracts on the websites of the **CRTC (Canadian Radio-television and Telecommunications Commission)** and the **Office de la protection du consommateur (consumer protection bureau)**

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Quiz

1. What is the free warranty included with the purchase of a product in the store called?

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2. True or false. You must be 18 years old to sign a cell phone contract.

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3. What is the maximum fee that you might have to pay if you cancel a cell phone contract when you haven't received a phone discount?

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4. Explain in your own words what a guarantor (surety) is.

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5. If you didn't receive a phone discount, how much would you pay in cancellation fees in these cases:

a) You pay \$63 a month and there are 6 months left on your contract: \_\_\_\_\_

b) You pay \$55 a month and there is 1 year left on your contract: \_\_\_\_\_