



# *Before You Sign Any Contract: 10 Things You Need To Know*

You've decided to get that cell phone, credit card, or gym membership. Do you know exactly what you are getting into? Before you sign any contract on the dotted line, here are the 10 things you need to know:

## *1 - Shop around!*

Understand exactly what each company is offering. The more you know, the more you can negotiate. Compare price, guarantee/warranty, duration of contract, and any terms or conditions that are important to you.

## *2 - Know who you're dealing with*

Reputation is important, so ask friends or family for references. If you are not sure about a company's reputation, check with the Better Business Bureau or investigate a company on-line at [www.cbccc.ca](http://www.cbccc.ca).

## *3 - Negotiate!*

Most contracts can be negotiated. Use the information you gathered while shopping around to get the best service and price. If the company or individual wants your business, they will listen to your arguments. Don't feel pressured - it is your decision to make!

## *4 - Pay attention to details before signing a written contract*

Don't rely on verbal promises; make sure any agreements or claims made by the salesperson are written into the contract. Strike out elements you do not want to sign for and have them initialled by you and the salesperson before you sign. Fill all blank spaces so that details cannot be added later by the salesperson.

## *5 - Understand everything in the contract before agreeing to it*

Ask more questions or someone knowledgeable for advice if there are elements you don't understand. And don't forget the fine print; it is part of the contract too! If you feel you need to, have a lawyer review the contract.

**6 - *Find out whom to call for help or to lodge a complaint***

Ask the salesperson for a customer service phone number and the steps to take if you need to make a complaint.

**7 - *A contract means you are responsible***

It is a legal document, so you will have to live with what you agreed to. Generally, a contract cannot be changed or broken unless you and the other party both agree (see next tip).

**8 - *Know how to get out of it***

Usually, a short period of time is allowed to end a contract without penalty; it's called the "cooling off period" and it should be described in the contract. If not, it doesn't mean you don't have access to it, so check with the *Consumer Protection Act* of your province. Otherwise, to end a contract before it is over, both parties have to agree and most of the time, it will cost you!

**9 - *Sleep on it!***

Is this what you really need and want? It's OK to change your mind before signing or agreeing to a contract.

**10 - *Once you've agreed to a contract, make sure you get a copy – and keep it!***

You may need it later on for reference, or to launch a complaint if you have a problem.

***Where to go for more information***

The Financial Consumer Agency of Canada (FCAC) provides timely, objective information to help consumers choose the best banking products and services for their needs. FCAC also informs Canadians of their rights and responsibilities when dealing with financial institutions and makes sure that banks and federally regulated trust, loan and insurance companies respect the laws and agreements that protect consumers.

You can reach us by phone through our toll-free Consumer Contact Centre at 1-866-461-3222 (our TTY number is 613-947-7771 or, toll-free, 1-866-914-6097), or by visiting our Web site at **[www.fcac.gc.ca](http://www.fcac.gc.ca)**.

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