HOW TO CANCEL A CONTRACT

Consumer Traps & Tips

Trap

Maria asked a friend if she knew someone who could do some remodeling at her Lake Park home. Edward came highly recommended, and Maria's friend said she never had any problems. However, after signing the contract and paying a $3,000 deposit, Maria 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 Maria 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: PZB - Contractors Certification Division Home (pbcgov.org)

- And ***never*** believe anyone who says it's OK to cancel by telephone.