

Fact sheet on information requirements in distance contracts (German law)

Within the European Union a high level of consumer protection in distance contracts or off-premises contracts is in effect. Therefore, numerous information requirements have to be provided by traders prior to the conclusion of consumer contracts, which are distance contracts.

Information requirements

European and German law lay down the information requirements for distance contracts. Before the consumer is bound by a distance contract, or any corresponding offer, the trader shall provide the consumer with a large number of information in a clear and comprehensible manner, e.g. the information about the main characteristics of the goods or services.

These German (or European) regulations are also valid for non EU traders, provided that they offer their goods or services towards German consumers.

- **Imprint**

The trader shall provide the consumer the information on his identity, such as his trading name. Furthermore, the traders shall give information on the geographical address at which the trader is established and the trader's telephone number, fax number and e-mail address, where available.

- **Information on the Right of Withdrawal**

German consumers have the right of withdrawal from a distance contract. The trader shall provide the consumer information about this right of withdrawal, such as length, procedure, costs and effects of the withdrawal. The trader has to provide a standard consumer withdrawal form and may be used by consumers to notify the withdrawal from the contract.

- **Standard Business Terms and Customer Information**

As mentioned above, European and German law lay down numerous information requirements for distance contracts, e.g. a reminder of the existence of a legal guarantee of

conformity for goods. This information should be bundled in a legal text “customer information”.

Standard Business Terms aim to regulate the formation and important conditions of a contract, such as liability or choice of law. Also, the conclusion of the contract is also a piece of information the trader shall provide.

- **Payment Arrangements and Delivery Conditions**

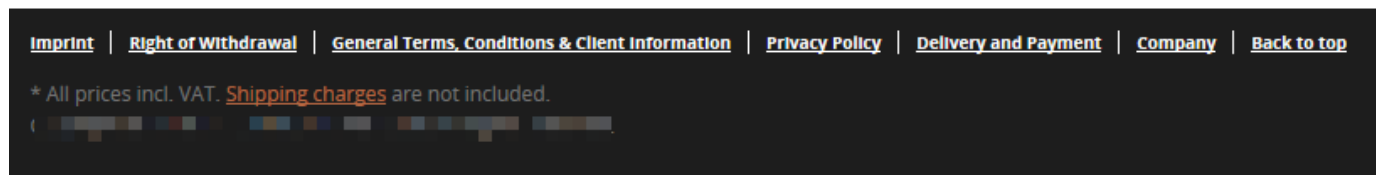
Furthermore, the arrangements for payment, delivery, performance and the time by which the trader undertakes to deliver the goods or to perform the services shall be provided by the trader.

- **Data protection declaration**

Moreover, data protection plays a very important role in online retail. On the basis of German data protection law, traders are obliged to inform visitors of their online presence about data collection, processing and use of personal data.

Practical Implementation

The abovementioned legal information and texts shall be provided under a correspondingly-named button on the trader’s online presence (see practical example below).



Sanctions for Non-Compliance with the Obligations

The disregard of the abovementioned information can cause expensive written warnings by competitors or associations.

Conclusion

Legal texts such as General Terms and Conditions, information on cancellation and Legal Notices are very important to traders. Yet in practice, these legal texts and information can contain numerous errors that can lead not only to problems with customers but also to expensive written warnings. Help from a specialized lawyer is inevitable und recommendable when offering goods or services towards German consumers.

Moreover: among these legal obligations, a series of other laws are important to traders. Attention should be paid to:

- labelling of products (e.g. the information about the energy efficiency class of an electrical product) and
- advertising messages. Misleading advertising is forbidden. Therefore, Slogans shall be true and provable.

