

## LAY-BY AGREEMENTS

### What is a lay-by agreement?

A lay-by agreement exists when you:

- Pay for the goods in at least three instalments (when the agreement is not called a lay-by agreement) or in at least two instalments (when the agreement is called a lay-by); and
- Do not receive the goods until the full price has been paid.

Any deposit you pay is also considered to be an instalment. For example, ordering a Christmas hamper in advance and agreeing to pay for it by weekly instalments is a lay-by agreement.

### Contract requirements

Lay-by agreements must be in writing, expressed in clear, plain language and must specify all the terms and conditions, including any termination charge. The trader must give you a copy of the lay-by agreement.

### Termination charge

The trader may charge a termination fee if you decide to cancel a lay-by agreement, provided it was clearly specified in the lay-by agreement (unless the trader has breached the lay-by agreement). The amount of the fee must not be more than the trader's 'reasonable costs' relating to the agreement.

'Silence' can be misleading or deceptive when:

- you fail to alert the audience to facts you know which are relevant to their decision to buy your goods or services
- you do not convey important details to the audience
- a change in circumstance meant information already provided was incorrect.

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## If you cancel a lay-by agreement

You can cancel the lay-by agreement any time before delivery of the goods. The trader must refund all amounts you have paid, less any termination fee that was clearly specified in the lay-by agreement. If the lay-by payments paid do not cover the termination charge, the trader can recover the outstanding amount as a debt.

## Suppliers cancelling a lay-by agreement

A trader must not cancel a lay-by agreement unless:

- you have breached a term of the agreement (such as missing a scheduled payment);
- they are no longer trading;
- or the goods are no longer available due to circumstances outside the trader's control.

If you have concerns lay-by agreements or any consumer or rental topic, please contact NT Consumer Affairs on 1800 019 319 or at [consumer@nt.gov.au](mailto:consumer@nt.gov.au).