

STEPS TO JUSTICE

Debt and Consumer Rights Workshop

An OJEN facilitator's guide demonstrating a CLEO public legal information resource.



ONTARIO JUSTICE EDUCATION NETWORK
RÉSEAU ONTARIEN D'ÉDUCATION JURIDIQUE



CLEO

Community Legal Education Ontario
Éducation juridique communautaire Ontario



About this workshop guide

This workshop guide is a collaboration between the **Ontario Justice Education Network (OJEN)** and **Community Legal Education Ontario (CLEO)**. OJEN's Steps to Justice workshops introduce audiences to common legal problems and familiarize them with a specific area of law. Using hypothetical scenarios, workshop participants explore a legal topic by navigating the practical step-by-step information on CLEO's Steps to Justice website. They learn how to use the website to find legal information, including the forms, self-help guides and referral information for legal and social services which may be helpful in working through a future legal problem.

This workshop guide was written for use in Ontario high school classrooms, but can be used (or modified) for other audiences. For more information on how to use this workshop guide, please check out our short training video available on the OJEN website ojen.ca/steps-to-justice-workshops-training-video.

OJEN is a charitable, non-profit, public legal education organization. We develop innovative educational tools that introduce young people to the justice system, help them understand the law, and build their legal capability. We partner with schools and community organizations across Ontario to prepare young people to manage the legal problems that will arise in their lives. For more information on OJEN, please visit ojen.ca.

We gratefully acknowledge the support of law students who have contributed to this workshop guide through the Osgoode Public Interest Requirement (OPIR) at Osgoode Hall Law School and through placements with Pro Bono Students Canada (PBSC). We would also like to thank the high school students who provide us with their perspectives and feedback on this resource as OJEN summer interns through the Law in Action Within Schools (LAWS) Summer Job Program.

Any legal information in this resource is intended for general educational purposes and should not form the basis of legal advice of any kind. Individuals seeking specific information about their legal problem should always consult a lawyer.

For over 45 years, **CLEO** has developed clear, accurate, and practical legal rights education and information to help people understand and exercise their legal rights. We produce print and online resources, including the Steps to Justice website, the Family Law Guided Pathways, and CLEO Connect which has information and supports for community organizations. For more information on CLEO, please visit cleo.on.ca.

STEPS TO JUSTICE DEBT AND CONSUMER RIGHTS WORKSHOP

Activity (minutes)	Content
Warm-up (5)	<ul style="list-style-type: none"> • Clarify differences between criminal and civil law. • Run group quiz on debt and consumer rights (Slides 2-6). • Review the major areas covered by debt and consumer law (Slide 7).
Hook (5)	<ul style="list-style-type: none"> • Advance to Slide 8 and read the demonstration scenario out loud. • Encourage participants to identify potential legal issues in the scenario. • Advance to Slide 9. Explain that the Steps to Justice website is a tool that can help people understand what they need to do when they have legal problems like this one. The group will next use it to answer questions related to the scenario.
Introduce Steps to Justice (10)	<ul style="list-style-type: none"> • Distribute the student handout, "Scenario 1: Demonstration". • Advance to Slide 10. Read the questions about the scenario out loud. • Pull up the Steps to Justice website on the display screen. • As a group, use the Steps to Justice website to find answers to the questions about the demonstration scenario on the slide. • Use different search options (sub-topics, front page keyword search, and header menu) and introduce the actual "steps" to follow. Use the presenter's notes on where to find the information included in this guide for support. • Ask if anyone has questions.
Group work (25)	<ul style="list-style-type: none"> • Advance to Slide 11. • Divide participants into groups and cue them to pull up Steps to Justice on their phones/ computer and to start on the "Debt and Consumer Rights" legal topic. • Give each group a scenario worksheet (Scenarios 2-5). • Each group needs at least one device with internet to complete their worksheet. • Circulate and support the groups as needed.
Discussion (15)	<ul style="list-style-type: none"> • Each group has 3-5 minutes to explain their scenario and what they have learned through their investigations. Participants should refer to the completed worksheet for support. • Address questions and issues arising from their reporting.
Application (Optional)	<ul style="list-style-type: none"> • Advance to Slide 12. • Since the group has practiced using the Steps to Justice website, the presenter may introduce a more complex scenario. • Participants should comment on the scenario reflecting what they have just learned. • As a group, use the website to answer the scenario questions. • Facilitator's notes are included in this guide to support discussion.



Debt and Consumer Rights

TRUE OR FALSE

- 1. A shady salesperson came to my house and convinced me to buy \$100 worth of cutlery. But it's okay - if I realize later that I would rather eat with my bare hands, I can cancel this contract and get my money back!**
F – You have the right to cancel a contract signed in your home without any reason within a 10-day cooling-off period beginning from the day you receive a written copy of the agreement.
- 2. My business fixes things for people. I can make lots of money legally by recommending repairs to consumers that they really don't need.**
F – This would likely constitute misrepresentation and is illegal.
- 3. I ordered a bunch of textbooks online which were promised to be delivered 30 days ago, but they still have not arrived. My exams are now complete and I no longer need the textbooks. I can cancel the transaction and get off completely scot-free!**
T – Under the *Consumer Protection Act*, when you order a product, it must be delivered within 30 days of the promised delivery date or you can ask for a refund.
- 4. I am shopping at a new store that offers lots of cool accessories and novelty items. I'll buy more than I need and the store will just have to refund what I don't need later. Ha, suckers!**
F – In Ontario, stores and other suppliers are not legally required to offer refunds or exchanges.
- 5. I get a thrill out of ignoring mail. My gym recently sent me a letter saying they will renew my membership, but I'm just going to ignore it. They can't renew without my permission!**
F – If you received a renewal notice and did not respond to it, the club has the right to renew and bill you under the renewed contract.



See <https://www.ontario.ca/page/your-rights-under-consumer-protection-act>

Facilitator's Package Scenarios



Start on the Steps to Justice question, “I bought something online. Can I cancel my order or get my money back?” under **Buying goods and services**. Follow the steps from the landing page to answer the questions. The relevant steps are listed in brackets following the question.



Scenario 1: Demonstration

I am an avid online shopper. A few months ago, I stumbled upon a local online retailer that sells specialty pens. I made a bulk order (\$100) on the website but I have not yet received a copy of the purchase agreement and the pens are now more than 30 days late. I am getting worried that I will not receive my order and I want to cancel the transaction. When I reached out to the company, the sales rep told me that there is no evidence of a “contract”, but my bank statements prove that I made the purchase. What can I do?!

Start on the Steps to Justice topic, “Buying goods and services” with the question, “I bought something online. Can I cancel my order or get my money back?”

- Does this person have a legal contract with the seller? (*Landing page*)
- Is a seller required to send a buyer a copy of the purchase agreement? (*Landing page, Step 1*)
- Is the buyer entitled to a refund in this situation? (*Step 2*)
- After the buyer cancels the purchase, when are they entitled to receive their money? (*Step 3*)
- Who can the buyer contact if the seller is unresponsive and continues to violate the law? (*Steps 4 and 5*)

Discussion

You might not see anything called an agreement when you place your order. But when you buy something, the law says you have made an agreement or contract with the seller. However, the seller must give you a **copy of the agreement**, containing all the required information, within 15 days.

If you do not get your copy of the agreement within 15 days, or if it does not contain all the required information, you can cancel it anytime up to 30 days after you made the agreement. Once you send your cancellation notice, the seller has 15 days to refund all payments that you made. If the seller continues to violate the law, the buyer can contact the Ministry of Consumer Services or can take legal action through small claims court, as a last resort.



Scenario 2

A guy on my street is selling a used car – a black Honda civic with tinted windows. I am interested in buying the car, but I am not sure if he is trustworthy. He seems shifty and quite eager to get the car off his hands. He will let me test drive the car, but he won't give me any further information about it, and he wants cash up front. I want some time to think about it but he is really pushing me to buy the car. What are the risks of buying the car from him and how should I approach this purchase if I am really interested?

Start on the **Steps to Justice** topic, “Buying a used car” with the question, “I want to buy a car from someone who is selling their vehicle. What do I need to think about?”

- What are the risks of a private sale (as opposed to buying a car from a registered dealer)? (*Landing page*)
- What are some examples of information the buyer should get from the seller about the car before proceeding with the purchase? (*Landing page*)
- Whose responsibility is it to get a Used Vehicle Information Package (UVIP)? (*Steps 1 and 2*)
- Why is it important for the buyer to ensure that the seller can provide proof of ownership? (*Step 3*)
- If the buyer goes ahead with the purchase, what additional steps must they take before they can drive the car? (*Step 5*)

Discussion

Consumer laws do not apply to private sales. This makes them more risky, because there is less legal protection and fewer options if something goes wrong. To protect yourself, there is a lot of information that you should seek before agreeing to the sale. This includes things like the vehicle's accident history, copies of service records and admissions tests. You should also ask for proof of ownership to ensure that the car you buy was not stolen.

Other important information is available from the UVIP. It is the seller's responsibility to provide and pay for this. If the sale goes ahead, the buyer must transfer the vehicle's registration and pay the provincial sales tax at a Service Ontario centre (not directly to the seller).



Scenario 3

I am a pretty big spender and have a habit of living beyond my means. I have recently been contacted by several of my creditors who are angry that I have been late on my monthly payments. My friends and family tell me that I should file for bankruptcy and get a fresh start, but I feel like this option has a lot of stigma attached to it and will hurt my chances of moving on with my life. What can I do?

Start on the Steps to Justice topic, “Bankruptcy” with the question, “Are there options other than bankruptcy if I’m in debt?”

- Is bankruptcy the only option for an individual who is in debt and is having trouble paying their creditors? (*Landing page*)
- Who can I talk to if I’m in debt and need financial advice? (*Step 1*)
- If I owe money to five different creditors, but three of them are willing to work out a simplified payment agreement. Can I deal with these creditors separately? (*Step 2*)
- What are the advantages of creating a repayment plan or applying for a consolidation loan? (*Steps 3 and 4*)
- What is a consumer proposal and what are the advantages and drawbacks of this option? (*Step 5*)

Discussion

There are a number of options other than declaring bankruptcy available to people having problems with debt, such as consolidating your debts, making a repayment plan with the people you owe or preparing a consumer proposal. In each of these cases, it is a good idea (and in some instances, mandatory) to work with professionals who help people in debt, such as non-profit credit counsellors, financial advisors or licensed insolvency trustees.

You can make separate arrangements with each of your creditors, and there are advantages and drawbacks to the different kinds of arrangements you make. For instance, a debt repayment plan generally means lower payments or better terms, but is not a legally binding arrangement, which means creditors are not required to follow these terms. Conversely, a consolidation loan is a legal contract with a bank or other moneylender that loans you enough to pay all multiple creditors, and then have only that single debt to manage. Another alternative is to work with a licensed insolvency trustee to file a consumer proposal. This is a legally binding deal with creditors that might allow you more time to repay your debt, reduce the amount of your payments or reduce the total amount you owe, but it appears on your credit report for a full three years after repayment is complete.



Scenario 4

I have several debts: credit cards, student loans, and payment plans with stores I've shopped at. I have admittedly been pretty bad about paying on time but my creditors have never said anything to me about my lateness. Recently, I received a notice from a business called UnReal Collections, Inc. that claims to be a collection agency on behalf of my creditors. They are demanding that I pay my debts completely or they will take me to court. They have called me every day since I first received the notice and it is getting quite nerve-wracking. What are my options?

Start on the Steps to Justice topic, "Collection agencies" with the question, "A collection agency called me. Do I have to talk to them?"

- Can I just ignore a collection agency? (*Landing page*)
- Is UnReal Collections, Inc. violating the law in any way? (*Landing page*)
- Should I provide my personal information to a collections agency if they ask for it? (*Step 2*)
- How can I know that a collection agency is real? (*Step 2*)
- Who can I talk to if I'm having trouble dealing with a collections agency? (*Steps 3 and 4*)

Discussion

If a collection agency attempts to contact you about your debt, it is not wise to ignore them, as you might get sued in court or your credit score might be affected. There are rules about how they can contact you though, and in this instance UnReal Collections, Inc. is acting unlawfully – they are required to wait six days from delivery of the written notice before attempting to contact you again.

If you are contacted by a collection agency, it is a good idea to make sure that they are a legitimate agency, as there are scammers who can attempt to steal money by posing as collection agents. You should be suspicious of any that ask you to provide personal information – a real agency would already have this information. You should also take steps to verify that they are a real agency by calling them yourself, researching them online and, especially, looking for them on the government website that lists all legitimate debt collectors.

If you are having trouble with a collections agency and talking to them on your own has not helped, you have options: a non-profit credit counsellor can negotiate with them on your behalf to arrange a repayment plan you can manage. If you suspect the agency is breaking the law, you can make a formal complaint with the Ministry of Government and Consumer Services. If they threaten you, you can report them to the police or sue them in court.



Scenario 5

I recently took my car into the SketchyRepairs car shop for some routine maintenance. We agreed on a maximum amount of \$1500 for repair costs. When the repairs were done, I was given an invoice for \$1400. At first I was pleased, but I soon realized that the shop did a bunch of things that I did not agree to, including steam cleaning the engine and installing new child-proof features. When I refused to pay, the shop owner kicked me out of the shop and threatened to sell my car. What can I do?

Start on the Steps to Justice topic, “Motor vehicle repairs” with the question, “Can the repair shop charge me more than they said they would?”

- What is the difference between an estimate and an agreed-upon maximum amount? (*Landing page*)
- What are some other rules that a repair shop must follow? (*Step 1*)
- Can I refuse to pay for work I did not agree to? (*Step 3*)
- Can SketchyRepairs keep the car owner’s keys and sell their car for refusing to pay? (*Step 3*)
- What are the car owner’s options in dealing with SketchyRepairs? (*Steps 4, 5 and 6*)

Discussion

If you and the repair shop agreed to a maximum amount instead of an estimate, the repair shop cannot charge more than the amount you agreed to. If you got a written estimate, the repair shop can charge you up to 10% more than the estimated amount. There are other rules around pricing that repair shops must follow too – for example, they must offer a written estimate and must tell you the cost of the estimate before providing it, and they cannot do work that you have not agreed to. It is your right to refuse to pay for work that you did not agree to. In this case, it would be unlawful for SketchyRepairs to keep or sell the car for that reason – the work was not agreed upon. This car owner has some options – they can try to talk to the shop first, and point out that the work was not part of the agreement. They can also file a complaint with the Ministry of Government and Community Services and, as a last resort, sue SketchyRepairs in Small Claims Court.



Display: *Large Group Practice* Scenario 6

I am a 25-year old student who just likes to have a good time. However, I'm hoping that my story can serve as a cautionary tale to anyone who is not careful with their possessions and personal information.

One night I was at a bar with friends and I had a bit too much to drink. The details are blurry, but I ended up losing my wallet at the bar. When I woke up the following day, I realized my wallet was gone but I did not take any immediate steps to fix the situation.

Over the course of a few weeks I managed to report my driver's ID and health card and get replacements for them. I also applied for a new debit card. However, I failed to report my lost credit cards. BIG mistake.

Later in the year, I checked my account statements and was flabbergasted. All three of my credit cards were completely maxed out – I nearly fainted from the shock of owing over \$5,000 to each of the credit card companies I deal with. I quickly called them and reported the lost cards, but they are insisting that I pay the full amount!

I'm desperately searching for options. I have a decent job, so I am confident that I can eventually pay the debt down, though not on the terms my credit card companies would like. I find it very unfair that I supposedly have to pay for this, when I'M the victim. Can anyone help me?



Scenario 6: Focus Questions

Students can draw from their learning to identify potential legal issues and questions to investigate. The main issues here pertain to 1) identity theft and 2) bankruptcy (particularly, consumer proposals, though answers and the direction students take may vary). Through an exploration of identity theft, students will conclude that lost cards and personal information must be reported immediately and that, unfortunately, a failure to report lost credit cards can leave a victim of identity theft on the hook for the full amount charged to their cards (because credit card companies generally expect you to be vigilant about monitoring your accounts). Given that the victim in this scenario is confident they can pay off the debt, students should be able to identify consumer proposals as an attractive alternative to declaring bankruptcy.

The facilitator can end the session with a discussion on how to prevent issues like this from occurring in the future.

Start from the topic “Identity theft– What can I do if identity theft happens to me?” Consider question lines like:

- What should the victim have done upon realizing their wallet was misplaced?
- Can the victim be held responsible for the full amount charged to their cards?

Start from the topic “Bankruptcy – Can a consumer proposal help me get out of debt?” Consider question lines like:

- Should the victim here declare bankruptcy?
- Is a consumer proposal a better option for the victim if they have to pay the full amount?

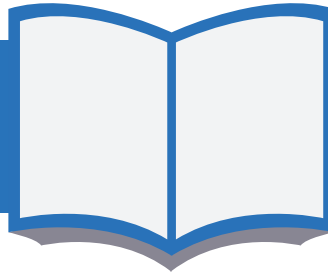
Return to the topic “Identity theft– What can I do if identity theft happens to me?” Consider question lines like:

- How can the victim prevent identity theft from occurring in the future?



Participant Handouts

Scenarios



Scenario 1 Worksheet: Demonstration

I am an avid online shopper. A few months ago, I stumbled upon a local online retailer that sells specialty pens. I made a bulk order (\$100) on the website but I have not yet received a copy of the purchase agreement and the pens are now more than 30 days late. I am getting worried that I will not receive my order and I want to cancel the transaction. When I reached out to the company, the sales rep told me that there is no evidence of a “contract”, but my bank statements prove that I made the purchase. What can I do?!

Start on the Steps to Justice topic, “Buying goods and services” with the question, “I bought something online. Can I cancel my order or get my money back?”

- Does this person have a legal contract with the seller?
- Is a seller required to send a buyer a copy of the purchase agreement?
- Is the buyer entitled to a refund in this situation?
- After the buyer cancels the purchase, when are they entitled to receive their money?
- Who can the buyer contact if the seller is unresponsive and continues to violate the law?



Scenario 2 Worksheet

A guy on my street is selling a used car – a black Honda civic with tinted windows. I am interested in buying the car, but I am not sure if he is trustworthy. He seems shifty and quite eager to get the car off his hands. He will let me test drive the car, but he won't give me any further information about it, and he wants cash up front. I want some time to think about it but he is really pushing me to buy the car. What are the risks of buying the car from him and how should I approach this purchase if I am really interested?

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- If the buyer goes ahead with the purchase, what additional steps must they take before they can drive it?



Scenario 3 Worksheet

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Scenario 4 Worksheet

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Scenario 5 Worksheet

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- What are the car owner’s options in dealing with SketchyRepairs?