

*Protecting Wisconsin Consumers for 75 Years*

## Three-day right to cancel

A provision of the Wisconsin Consumer Act grants Wisconsin consumers the right to cancel certain consumer transactions within three business days. Consumer transactions are those purchases made by individuals that are for personal, family or household purposes. In these transactions merchants are required to provide the consumer with a notice that informs them that they have a right to cancel. In order to cancel consumers must mail their cancellation request within three business days of receiving the "Customer's Right to Cancel" notice from the seller.

The three day right to cancel applies to transactions that meet all the following conditions:

1. Certain cash or credit transactions that exceed \$25.
2. Transactions entered into away from the seller's normal place of business (such as the consumer's home); and
3. Transactions initiated by face-to-face solicitation away from the seller's regular place of business, or where the transaction is directed to a particular customer via mail or telephone solicitation. The right to cancel law covers fairs and trade shows also.

For example, if a salesperson came to your home and sold you a vacuum cleaner, you would have three business days to cancel. However, if you purchased a vacuum cleaner at an appliance store, the three day right to cancel would not apply.

The right to cancel law is found in Wis. Stats. § 423.203. The cancellation notice that sellers must give consumers looks like this:

### "CUSTOMER'S RIGHT TO CANCEL"

You may cancel this agreement by mailing a written notice to (insert name and mailing address of seller) before midnight of the third business day after you signed this agreement. If you wish, you may use this page as that notice by writing "I hereby cancel" and adding your name and address. A duplicate of this page is provided by the seller for your records.

The law requires the seller to give you two copies of a notice setting forth your rights. Wisconsin law requires that the notice be in a specific format.

If the merchant is in any way engaged in interstate commerce, the notice required by federal law must be given. Note that, for most merchants, the federal notice will

be required. Compliance with the federal notice requirement will be considered as compliance with the Wisconsin Consumer Act notice requirement.

The cancellation **must be in writing**. Use one of the two copies of the notice of your right to cancel and write on it, "I hereby cancel this contract." Mail it to the seller. The notice must be sent to the seller by midnight of the third business day after the seller has given you the notice. Saturday, Sunday and legal federal or state holidays are not "business days" for purposes of cancellation. You can also send a letter, telegram, or other correspondence indicating your intention to cancel.

Sending the request via certified mail will guarantee proof of mailing date and receipt of notice. Or, consider hand delivering the cancellation notice before midnight of the third business day. Keep the other copy of the cancellation form for your records.

Within ten days, the seller must refund all payments made by you and cancel any contract signed by you. You are not liable for any finance or other charges and the transaction is void.

The seller must return any property traded in by you within 20 days. If the seller has

delivered any property to you, you may keep it until the seller has returned the down payment. At that time, you must make the property available to the seller.

If the property is not picked up within 20 days after you have made it available, you are entitled to keep the property without any obligation to pay for it.

For more information or to file a complaint, visit our website or contact the:

**Bureau of Consumer Protection  
2811 Agriculture Drive  
PO Box 8911  
Madison WI 53708-8911**

**E-MAIL:  
DATCPHotline@wi.gov**

**WEBSITE: datcp.wi.gov**

**(800) 422-7128**

**FAX: (608) 224-4677**

**TTY: (608) 224-5058**

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**EXAMPLE 1**

You, the buyer may cancel this transaction at any time prior to midnight of the third business day after the date of this transaction. See the attached notice of cancellation form for an explanation of this right.

**EXAMPLE 2**

**NOTICE OF RIGHT TO CANCEL**

Date \_\_\_\_\_

You may CANCEL this transaction, without any penalty or obligation, within THREE BUSINESS DAYS from the above date.

If you cancel, any property traded-in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within TEN BUSINESS DAYS following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller, at your residence, in substantially as good condition as when received by you, any goods delivered to you under this contract or sale; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice, or any other written notice or telegram, to:

\_\_\_\_\_ at \_\_\_\_\_  
*(Name of Seller)*

\_\_\_\_\_  
*(Address of Seller's Place of Business)*

NO LATER THAN MIDNIGHT OF \_\_\_\_\_  
*(Date)*

I HEREBY CANCEL THIS TRANSACTION.

\_\_\_\_\_  
*(Date)*

\_\_\_\_\_  
*(Buyer's Signature)*