

Minors, contracts and consequences

Executive summary
June 2011

Our study's title – Minors, contracts and consequences – reflects a contemporary reality. Minors are highly active consumers and a fast-growing market. They enter into contracts with merchants providing them with goods and services, and those contracts have consequences.

What consumer issues are most often reported regarding minors? What situations are riskiest?

Can a child, without his parents' consent, make major purchases? Does the minor's age make any difference? What remedies does a minor have when a merchant abuses his inexperience (or his lesser ability to resist the call of consumerism)? In such cases, should the parent go to court or should the child himself assert his rights? Does the child even have the legal ability to do so? For his part, does the merchant, when dealing knowingly or unknowingly with a minor, have a right to evoke transaction security? Are parents and merchants well informed about applicable legal rules? How do they perceive the establishment and application of a framework for the consumerism of minors?

Our study discusses how the issues are dealt with in Quebec, Canada and elsewhere in the world regarding the ability of minors to enter into contracts, and compares those approaches in an attempt to determine if there are areas where minors are insufficiently protected and, if so, what can be done to better protect them.

This research is relatively descriptive regarding the context, but it also empirically explores the foundations of future research – necessarily more specific – on the subject.

The study discusses the issues most often raised regarding contracts entered into by minor consumers and presents the legal framework for such contracts in Quebec, the other Canadian provinces and elsewhere.

The study outlines the results of surveys conducted among parents of teenagers, merchants and government consumer-protection organizations, to determine how these various stakeholders perceive or apply the legal framework.

After assessing the issues in the light of our findings, our report concludes with a few recommendations and possible solutions for better protecting minor consumers.

Even though, in many of the cases we reported, the protection of minors cannot be dissociated from the protection of consumers as a whole, it remains that minors have specific needs for protection that are not necessarily identical to those of adult consumers. Given the inexperience and still-limited abilities of minors as consumers, our study proposes that rules for cancelling contracts reached with minors – whether by invoking injury or through a discretionary right to

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cancel – be clarified, that rights be extended, and that the protection mechanism enable parents in a relatively simple and effective manner to exercise their role of supervising their child's consumption of goods and services.

The public's lack of knowledge about the rules for contracts reached with minors, and vagueness as to the application of those rules, do not favour an amicable settlement of disputes that might arise with merchants. Better knowledge of those rules is likely to favour their effectiveness, so we also recommend an effort to fill the information deficit gap observed.

In addition, the study emphasizes that part of the solution to the consumer issues experienced by minors and their parents may be consumer and personal finance education.

French version available.

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