

Extended warranties sold with rent-to-own agreements: customer information and deferred opt-in

Chapter 5

Extended warranties sold with
rent-to-own agreements:
customer information and
deferred opt-in

5.2 Deferred opt-in for extended warranties

5.2.1

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(1) A *firm* must:

- (a) not conclude the sale of an *extended warranty*; and
- (b) ensure that no other *person* to whom the *firm* has referred the *customer* concludes the sale of an *extended warranty*;

until at least two clear *days* have passed since the required information was provided to the *customer* (■ PROD 5.1.1R).

(2) The period in (1) is one clear *day* after providing the information if the *customer*:

- (a) initiates the conclusion of the sale of the *extended warranty*;
- (b) consents to the conclusion of the sale of the *extended warranty* earlier than provided for in (1); and
- (c) confirms that they understand the restriction in (1).

5.2.2

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For example, if a *firm* provided the required information to the *customer* on Monday, it would not (absent the *customer's* consent) be able to conclude the sale of the *extended warranty* until Thursday.

5.2.3

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Before the conclusion of the sale of an *extended warranty*, a *firm* should have regard to the information needs of its *customers* and consider whether it would be in the *customer's* interest to receive the information in ■ PROD 5.1.1R again, for example if a long time has passed between the provision of the information and the conclusion of the sale.