

SELLER BEWARE: SIGNIFICANT AMENDMENTS PROPOSED UNDER THE *BUSINESS PRACTICES AND CONSUMER PROTECTION AMENDMENT ACT, 2025*

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On February 25, 2025, the British Columbia government introduced Bill 4, the *Business Practices and Consumer Protection Amendment Act, 2025* (the “**Bill**”). If enacted, this legislation will introduce the first significant amendment to British Columbia’s consumer protection framework since 2004.

The Bill introduces significant new obligations for businesses, including requirements for clear and upfront disclosure of contract terms, restrictions on arbitrary cost increases without proper notification, and prohibitions against binding consumers to unfair terms.

If enacted in its current form, the Bill will likely have a significant impact on businesses operating in British Columbia, requiring them to adapt their practices to ensure compliance with the new requirements.

Key Provisions and Business Implications

Expanded Disclosure Requirements

The Bill would expand the up-front disclosure requirements to be applicable to all consumer contracts. In the current *Business Practices and Consumer Protection Act* (the “**Act**”), these requirements are limited to distance contracts and direct contracts. The requirements include a detailed description of the goods or services, an itemized purchase price, payment terms, total cost, and any applicable trade-in values. If credit is extended, details of any security interest must be included.

Additionally, businesses must provide clear information on refund policies, renewal terms, as well as their cancellation rights. Consumers may cancel a contract if the required information is missing, inconsistent with prior disclosures, or if the supplier fails to comply with their contractual disclosure obligations.

Consumers May Participate in Legal Proceedings

The Bill would prohibit businesses from including contractual terms that prevent consumers from participating in class-action lawsuits, restrict customer reviews, or mandate arbitration or other dispute

resolution mechanisms. Any such terms in the agreement will be void. This could be particularly significant for U.S. companies operating in Canada that often use the same agreements in both Canada and the U.S.

Additionally, the Bill introduces the Civil Resolution Tribunal, allowing consumers to adjudicate disputes under the Bill for claims under \$5000. Currently, the Civil Resolution Tribunal does not have the authority to award damages or other remedies pursuant to the Act and may selectively hear claims based on their nature and relation to the Act. The Bill would expand the jurisdiction of the tribunal to address contraventions of the Act, exposing businesses to increased risk of enforcement of the Act.

Stronger Protections for Subscription Contracts

The Bill introduces new requirements for subscription-based agreements, voiding any automatic renewal provision for terms of 60 days or less unless consumers can cancel at any time without charge or penalty. For subscription contracts exceeding 60 days, businesses would be required to allow consumers to cancel at any time without charge or penalty and to provide advance notice of the renewal date. Additionally, businesses would be prohibited from unilaterally amending subscription contracts in a way that increases consumers' obligations or reduces the business's obligations. The possible ambiguity regarding what amendments would neither increase the consumer's obligations nor decrease the business's obligations may pose challenges for businesses in understanding what kinds of changes can be legally made to subscription contracts without violating the Bill, if passed.

Regulating Direct Sales of High-Cost Goods

The Bill would prohibit businesses from direct sales of a limited scope of high-cost household products, including furnaces, air conditioners, and home security systems. If a direct sale contract for such household products is entered into, the consumer is entitled to a full refund of all money paid to the business in respect of the contract, without any deductions.

Going Forward

If the Bill passes as currently proposed, businesses will need to review their contracts to ensure clear, upfront terms, including those related to renewal, cancellation, and refund policies, as well as their sales practices and dispute resolution policies to ensure compliance.

The Bill proceeded to second reading on March 3, 2025, and is expected to pass later this year. Certain of the proposed changes align with the existing Ontario Consumer Protection Act, 2002, and/or the forthcoming changes introduced in the new Ontario Consumer Protection Act, 2023, which is anticipated to come into force in 2026. We will continue to monitor the Bill's progress and provide updates as developments unfold.

If you have any questions about how these changes may impact your business, please contact us.

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A Cautionary Note

The foregoing provides only an overview and does not constitute legal advice. Readers are cautioned against making any decisions based on this material alone. Rather, specific legal advice should be obtained.

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