

March 12, 2025

Members of the Legislative Assembly
Legislative Assembly of British Columbia
501 Belleville Street
Victoria, B.C.
V8V 2H3
Delivered via email

RE: Business Community Concerns on Bill 4

Dear Members of the Legislative Assembly,

On behalf of the undersigned business associations, we are writing to express the perspectives of the B.C. business community on the proposed amendments to consumer protection laws in B.C. via Bill 4, the *Business Practices and Consumer Protection Act* (“the Act”).

Our economy is facing significant external threats and a trade war, and businesses now more than ever –particularly small- and medium-sized enterprises—are struggling with rising costs, decreases in orders and revenue, and preparing for potential layoffs. We urge the government to consider all legislation through this lens and encourage it to prioritize economic resilience and competitiveness when making policy decisions to support local communities and ensure businesses can continue to grow.

The economy and technology have evolved significantly since 2004. We recognize and support the government’s commitment to strengthening consumer protections. Consumers and businesses alike benefit from streamlined consumer protection laws that increase trust and transparency and protect against fraud and deception while honouring foundational provisions of contract law. To that end, Bill 4 includes some positive clarifications and updates including the provisions allowing consumers to access the Civil Resolution Tribunal for consumer protection claims.

However, we are troubled by the lack of meaningful consultation with the business community before the Bill’s introduction. Effective legislation should be informed by robust engagement with all stakeholders to fully assess potential impacts and ensure a balanced approach. **We ask for a pause on advancing the legislation to allow for engagement and collaboration towards better outcomes for consumers and the overall business environment.** The changes to contracts imposed could cause the rewriting of tens of thousands or hundreds of thousands of consumer contracts and business-to-business contracts. This is a difficult time to require a review and revision for so many contracts

throughout the province, given the mentioned economic backdrop and significant uncertainty caused by President Trump. We expect that implementation of Bill 4 will cause many small businesses to face potential legal costs to review consumer contracts and make changes to new contracts or revise existing contracts and change business practices, or they will face fines. These costs will ultimately be passed along to consumers, who are already struggling with affordability challenges and at a time when they could be facing higher costs due to the Trump-imposed tariffs.

Overall, we advocate for a more targeted approach to the legislative changes and recommend a pause on advancing the legislation to allow for engagement and other potential options that could achieve better outcomes for consumers and the overall business environment.

Concerningly, the Bill appears to apply retroactively, affecting a vast number of existing contracts. This would likely create significant administrative and legal costs for businesses, which again, would ultimately be passed along to consumers.

We are concerned about restrictions on arbitration, as it is generally seen as a cost effective, efficient and easy to navigate option for dispute resolution. By restricting arbitration, and doing so retroactively, you are leaving consumers and businesses with fewer choices.

Subscription services are one area that has grown substantially since 2004 when the Act was last updated. Overall, we agree that it is critical that factual, clear, and transparent information regarding the pricing, delivery, renewal, cancellation, and return policies must be provided to consumers. That said, the Bill meaningfully alters businesses' ability to set reasonable terms for subscription and membership-based services. The specificity of the proposed law may in fact bar businesses from offering terms that reflect their overhead, supplier and other operational costs. This can be seen in the Bill in proposals such as issuing refunds to annual subscribers who cancel their contract for the remainder of the contract term. Long-term contract commitments and upfront payments are often relied upon by subscription-based businesses to ensure they can maintain lower prices. The net effect of proposals is more likely to lead to less choice, reduced flexibility and ultimately increased costs that are passed on to consumers. We should recall that one significant consumer benefit of subscription services are the lower monthly fees, which increase access and opportunity for consumers to enjoy significant benefits at lower costs. For example, Microsoft Office Standard 1995 retailed for \$499 whereas a Microsoft 365 Personal licence today costs \$14.95 a month. Given the very rapid nature of the advancement of this legislation, we are just beginning to hear of potential impacts from our members of this provision.

Many of the contract-related provisions replicate existing regulations that already govern federally regulated industries. Implementing an additional layer of rules risks imposing extra costs on businesses, which would ultimately be passed on to consumers. Moreover, there is a risk that it could undermine the goal of providing customers with clear, concise, and easily understandable contracts by making them longer and more complex. We believe there is room for clarity relating to federally regulated oversight bodies for consumers, as we would like to avoid the creation of confusion for consumers about where to seek help in resolving issues or filing complaints for federally-regulated industries. Creating an additional set of rules that may conflict or overlap with federal rules as well as be unaligned with other provinces also runs counter to recent efforts to streamline and remove interprovincial trade barriers.

Further, the prohibition on the direct sale of specified household goods and services—including furnaces, air conditioners, home security systems, and duct cleaning—raises concerns. To be clear, we strongly condemn predatory sales tactics in the strongest terms possible, and we support efforts to curb unscrupulous actors. However, an outright ban on direct sales for many industries and products seems extreme. Contrary to the government's news release, many of the items listed in the legislation for the ban on direct sales are not high value services. For example, security services when added by existing customers can cost as little as \$10 per month. This service also has personal and public safety benefits.

Additionally, there are many reputable professionals provide valuable services through direct sales. A broad ban could negatively impact businesses and limit access to essential services, particularly for non-vulnerable consumers making informed purchasing decisions. We would be interested in understanding further the data behind the decisions made.

Further, we believe there are a few options to amend this provision. One option to consider would be a carve-out for sales tied to ongoing monthly service relationships. The government could also work with industry to clarify and raise awareness of consumers' ability to cancel direct sale contracts within 10 days of receiving the contract. It could further clarify rules around disclosure of contract cancellation provisions. We believe it is important to strike the right balance and take time to do that as a small business will be at risk of being found guilty of an offence, with fines up to \$100,000 for activities that they did in the past when it was perfectly legal.

We appreciate your time and consideration of these concerns and would welcome the opportunity to engage further. As a business community, we remain committed to

supporting consumer protection efforts while ensuring that policies foster a fair and sustainable business environment in British Columbia.

Sincerely,



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President and CEO



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