

Construction Advisory: Landmark Ruling: Pennsylvania Commonwealth Court Upholds Verbal Contract Cancellations Under HICPA

In a landmark decision, the Pennsylvania Commonwealth Court recently ruled in *Commonwealth of Pennsylvania, Office of Attorney General v. Gillece Services, L.P.*, 2024 WL 3282546 (Pa. Cmwlth. 2024) that contractors must honor customers' cancellation requests, irrespective of the medium of communication. This ruling underscores the importance of consumer rights and the obligations of contractors under the Home Improvement Consumer Protection Act (HICPA).

The case highlights the accounts of numerous homeowners throughout the Western Pennsylvania area. One such homeowner, Jake Wiley, entered into a contract with Gillece Services for a sewer pipe replacement, costing \$16,071.33. The Gillece technician assured Mr. Wiley that the work would commence the next morning. However, that evening, Mr. Wiley decided to cancel the contract and communicated his decision to Gillece over the phone. Despite this, Gillece proceeded as if the cancellation had not occurred, leading to a series of frustrating interactions for Mr. Wiley.

Mr. Wiley's experience highlights the challenges consumers face when dealing with contractors who do not honor verbal cancellation requests. After initially calling Gillece to cancel the contract, Mr. Wiley was assured that his message would be relayed. However, the next morning after Mr. Wiley had already left his home, Gillece contacted him to confirm that the crew was on its way. Mr. Wiley reiterated his cancellation request, but the crew still arrived at his home. It was only after Mr. Wiley's firm insistence, communicated through his fiancée and directly to the technician, that the crew finally left without performing any work.

Mr. Wiley expressed his frustration, stating that he expected any reasonable business to honor a verbal cancellation. According to Mr. Wiley, there was no mention of a requirement to cancel in writing when he spoke with the dispatcher.

The Court's Interpretation of HICPA

The Court was tasked with determining whether HICPA requires a home improvement contractor to honor a cancellation request from a customer that is not made in writing. The Court's decision in this case is significant as it clarifies that under HICPA, contractors must honor cancellation requests regardless of the medium used by the customer to communicate the cancellation. This ruling aligns



Andrew W. Clifford
awc@muslaw.com
412-456-2804

with the principles of the Unfair Trade Practices and Consumer Protection Law (UTCPL), which aims to protect consumers from unfair or deceptive business practices.

The Court found that HICPA, which pertains to the consumer's right to rescind home improvement contracts, does not mention any form requirements for the provision of notice. It states that an individual signing a home improvement contract "shall be permitted to rescind the contract without penalty...within three business days of the date of signing."

The Court concluded that HICPA requires contractors to cancel Home Improvement Contracts "regardless of the medium used by the customer to provide actual notice of cancellation."

Implications of the Decision

This decision underscores the importance of consumer rights and the responsibility of contractors to respect those rights. It highlights the need for businesses to listen to their customers and honor their requests, regardless of the medium of communication. This ruling sets a precedent that reinforces consumer protections and reduces the formalities imposed upon consumers, thereby promoting fairness and transparency in business practices.

The Court's ruling emphasizes that consumer protection laws are designed to be interpreted in a manner that favors the consumer. By requiring contractors to honor verbal cancellations, the Court has reinforced the notion that consumer rights should not be undermined by technicalities or rigid interpretations of contract terms.

Conclusion

The decision in Commonwealth of Pennsylvania, Office of Attorney General v. Gillece Services, L.P. serves as a reminder to contractors of their obligations under consumer protection laws. It also empowers consumers, ensuring that their rights are upheld regardless of the medium used to communicate their decisions. This case sets a precedent that verbal cancellations are valid and must be respected, thereby enhancing consumer protection in the home improvement industry.