

# YOUNG PEOPLE AND CONTRACTS

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Young people have a unique place in law. You are not yet adults, but you are developing many skills and abilities of adulthood. You are entitled to many of the same rights as adults, and can be held to many of the same responsibilities. You will not, however, always be treated the same way as adults are treated.

This unique belief in law is generally founded on two beliefs:

- that children do not have the ability to properly evaluate their options and make sound decisions
- that it is the parental or guardian role to guide and make decisions for their children

Each province determines its own age of majority for laws under its jurisdiction. In Saskatchewan, the age of majority (the age at which people become adults in the eyes of the law) is 18. People who are under age may have certain rights and responsibilities restricted by the province.

Upon reaching the age of majority, you generally will have all the rights that every adult has. This includes the right to vote, get married, enter into contracts, and otherwise fully participate in society.

## MINORS AND CONTRACTS

Contract law provides special protection to minors. Contracts that take unfair advantage of minors, or are not in their best interests, have no legal effect. Generally, individuals under the age of 18 cannot be held liable for contracts that they enter into, unless the contract is for the necessities of life or the minor has derived a real advantage from it.

In legal terms, “necessaries” takes into account many circumstances in one’s life, and may differ from person-to-person. Necessaries usually include things such as food, shelter, education and medical services. Necessaries can include a host of other things, depending on the minor’s circumstances. For example, a social media influencer living in the city may have some different necessities of life than a lumberjack living alone in the wilderness.

Saskatchewan law defines necessities as goods suitable to the condition of life of the minor and the minor’s actual requirements at time of sale and delivery.

Minors have the option of cancelling contracts for non-necessaries. This affords minors some protection against reckless or imprudent acts. It also helps protect minors from adults who may wish to take advantage of a minor’s imprudent acts and have them enter into contracts for things they simply don’t need. However, the law balances this special protection for minors against legitimate business interests.

For example, a minor may be tempted by a rent-to-own offer for a video game machine. The minor may come up with the required down payment and take the equipment home after entering into a contract that requires payments, plus interest, over time.

After using the equipment for a week, the minor might regret the purchase for any number of reasons. While the minor cannot be held to the contract—the video game machine is not a necessary of life—they must return the merchandise if they want to cancel the contract. And the seller may have a right to keep some or all of the down payment to compensate for the benefit the minor obtained during the time they had possession of the merchandise.

Regardless of your age and your position in life, there are certain things you should be aware of when entering into a contract. Before you sign, read all pages of a contract, including the fine print. Never...

- sign a contract you do not completely understand
- sign a contract simply because you want to get rid of a salesperson
- take a salesperson's assurances that part of the contract is unimportant and you do not need to worry about understanding it
- sign a blank contract and allow someone else to fill in the details later

If you still are uneasy about a contract, simply do not go ahead with it.

## BRAINS AND MATURITY

In law, we become adults at 18. However, neuroscience research has shown that the brain's ability to control impulsive behaviour typically does not mature until around age 25. This is because the frontal lobes—the part of our brains that control things such as impulse—keep growing until around age 25.



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## CASE STUDY ONE: SKATING ON THIN ICE

Gerry is 17 years old. He bought a pair of skates for \$160 at the local sports store. He paid \$100 cash and agreed to pay the balance at the end of the month. He took the skates home and then went skating.

Later, Gerry realised that he would not have enough money to pay the \$60 owing on the skates. He took the skates back, with the sales slip, and asked for a refund of \$100 in exchange for the skates.

1. Did Gerry enter into a contract with the sports store?
2. Would skates be considered a necessary?
3. Can the sports store make Gerry pay the \$60 and insist that he keep the skates?
4. If Gerry can't pay the \$60, can he keep the skates? Would he get his \$100 back if he returned the skates?
5. If Gerry had not used the skates could he get his full \$100 back?

## CASE STUDY TWO: CHARGE IT!

Jo is 16 years old. She spends the summer working at a resort town. She stays in a cabin with her cat. The General Store in town allows people to charge groceries and other goods if they agree to pay their account every 30 days. Jo shops at the General Store and charges all items to her account.

One weekend Jo went into the city to go to the exhibition. The trip cost more than expected and she is unable to pay her General Store account. The store manager now wants to collect the money owing.

1. Is there a contract between Jo and the General Store? Explain.
2. If Jo bought cosmetics, cat food, and lace curtains for her cabin on credit can the General Store collect for these items?
3. Is it likely that the General Store could collect for items such as milk, cheese, shoes, and gloves?
4. How might the General Store proceed to collect the money that Jo owed?

## CASE STUDY THREE: A FRIEND IN NEED

Marina is 17 years old. She borrowed \$500 from JJ, an adult friend. Marina needed the money for car trips and repairs, school supplies, clothes, and an insurance premium for her car.

JJ wants Marina to repay the money, but she refuses to do so.

1. Was the money used to provide Marina with necessities of life? Explain.
2. Is Marina legally responsible for repaying the loan?
3. If Marina drove her car for pleasure only, would she be required to repay the portion of the loan used for operating her car?
4. If you were JJ, what would you do to collect the money Marina had borrowed?

# ANSWERS

## CASE STUDY ONE: SKATING ON THIN ICE

### 1. Did Gerry enter into a contract with the sports store?

Yes, Gerry made a contract with the sports store. He agreed to buy the skates and the store agreed to sell him the skates. Something of value is being exchanged—Gerry gets the skates and the store gets (or will get) the money.

### 2. Would skates be considered a necessary?

No. The skates are not likely to be considered a necessary. They are used for recreation and cannot be described as essentials.

### 3. Can the sports store make Gerry pay the \$60 and insist that he keep the skates?

No, the sports store cannot make Gerry pay the \$60 and make him keep the skates. Gerry is under the age of 18. The law says that any contract he enters into (except certain types of cases, such as employment contracts and necessities) is voidable. Put another way, he can choose whether or not he wants to be bound by the contract. Gerry may choose to go through with the contract or not. The sports store has no say in the matter—it is Gerry's choice.

### 4. If Gerry can't pay the \$60, can he keep the skates? Would he get his \$100 back if he returned the skates?

No. Gerry no longer has any right to the skates if he voids the contract. Gerry must return the skates to the store. He may not get all of his \$100 back, because he has had some benefit from the contract: his use of the skates to go skating.

### 5. If Gerry had not used the skates could he get his \$100 back?

Yes, Gerry could likely get his \$100 back if he had not used the skates.

## CASE STUDY TWO: CHARGE IT!

### 1. Is there a contract between Jo and the General Store? Explain.

Yes. Jo and the General Store have a contract. She buys groceries and other things at the store and they allow her to buy on credit providing that she pays her account every 30 days.

### 2. If Jo bought cosmetics, cat food, and lace curtains for her cabin on credit can the General Store collect for these items?

Items such as cosmetics, lace curtains, and cat food are generally not considered necessities. That understood, the scope of the term necessary will vary from person to person, depending on their circumstances.

The store cannot collect for money owing for items that are not necessities. If Jo voids this part of the contract she cannot keep the items that she still has in her possession, like the lace curtains.

### 3. Is it likely that the General Store could collect for items such as milk, cheese, shoes, and gloves?

Food is a necessary and clothing is generally considered to be a necessary as well. While it seems clear that Jo will have to pay for the milk and cheese it could be argued that the shoes and gloves were not necessities. This would depend on the situation. Clearly some clothing is necessary but clothing is often purchased for other reasons. For example, if Jo already had ten pairs of shoes, another pair would likely not be considered a necessary.

### 4. How might the General Store proceed to collect the money that Jo owed?

If the contract is not voidable or is not voided by Jo, the General Store might collect the money that Jo owes them by suing her in Small Claims Court. A more neighbourly solution might be to arrange for Jo to pay her bill over the next few months.

**CASE STUDY THREE:  
A FRIEND IN NEED**

- 1. Was the money used to provide Marina with necessities of life? Explain.**

*Yes and No. Marina used the money for some items that were necessities and some items that were not necessities.*

*The car trips probably were not necessities, nor were the car repairs. Some cases have held that a car is a necessary, and other cases have held that a car is not a necessary. It depends on what the car is used for, and what the judge rules to be the facts of the case. If a car is not a necessary, it seems unlikely that a judge would find the car insurance to be a necessary.*

*On the other hand, school supplies and clothes are necessities, unless it could be shown that Marina already had enough school supplies and clothes.*

- 2. Is Marina legally responsible for repaying the loan?**

*Yes. Marina is legally responsible for repaying the loan for items that are necessities. See the answer to question 1 above.*

- 3. If Marina drove her car for pleasure only, would she be required to repay the portion of the loan used for operating her car?**

*No. Marina is not obliged by law to pay back the portion of the loan used for operating her car if she used it for pleasure only. She would only have a moral responsibility to repay the loan. As mentioned above, courts have refused to find that a car is a necessary, whether she used it for work, to get her to school, or for pleasure. JJ was taking a risk when he loaned the money to Marina.*

- 4. If you were JJ what would you do to collect the money Marina had borrowed?**

*JJ should try to discuss this case with Marina. JJ could sue Marina in Small Claims Court for money he loaned her for necessities.*