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Electronic Health Spa Contracts

We have noticed a trend: many gyms are now using electronic health spa contracts. Generally, these electronic contracts are simply PDF versions of a gym's paper contracts, which have been mailed to a billing company for further processing. Some gyms use electronic form templates of their contracts, which are able to be populated by the gym's representative. Regardless of the electronic contract form that a gym chooses to use, there remain certain guidelines which must be observed when using such contracts.

For example, electronic gym contracts cannot be abbreviated versions of the paper contracts. This means that electronic contracts must contain all of the same statutory provisions that are required for paper contracts. As we've discussed in previous podcasts, these mandatory provisions include information regarding members' right to cancel within seven business days of signing the contract, a notice concerning pre-payment of gym memberships, and the recommendation that consumers with a history of heart disease should consult a physician before joining. Other required provisions include a member's right to cancel due to death, permanent disability, substantial changes in services, and when a facility closes but does not offer a substantially similar gym within ten miles.

Gym owners are encouraged to review the electronic contract to ensure that important information is not omitted during the conversion process from hard to soft copy. We have seen incidences in which a gym's contract is changed or reprinted, and previously approved information had been inadvertently omitted from the contract. Therefore, we strongly recommend that owners review the electronic contract template against the approved paper version for compliance. If necessary, changes must be made to ensure that the electronic contract is compliant with the health spa provisions of the FBPA. Remember, electronic gym contracts that do not contain all of the required statutory provisions of the FBPA are not compliant with the law, and would therefore not be enforceable.

Every electronic gym contract must contain a field which allows for the population of the specific date of the seventh business day by which a consumer may cancel. At no time should that information be left blank on any gym contract, whether paper or electronic. Finally, the health spa provisions of the FBPA require that consumers are given a copy of a signed contract at its execution. This is also applicable to all electronic gym contracts.

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