

Wednesday, November 30, 2005

**EXPRESS/LIMITED, STAPLES, AND SPORTS AUTHORITY PAY \$95,000 TO CITY
FOR REFUSING CUSTOMER RETURNS WITHOUT DISCLOSING POLICIES**

Seven Other Retailers Settle Violations for Not Posting Restocking Fees

New York City Department of Consumer Affairs (DCA) Acting Commissioner Jonathan Mintz today announced three retailers – Express LLC (Limited Brands Inc.), Staples Inc., and The Sports Authority – paid the City a total of \$95,000 (\$50,000, \$35,000, and \$10,000 respectively) to settle charges the companies refused customer returns without disclosing conditions of their return policies. All three companies used return-tracking company Return Exchange, but did not clearly post why returns may be denied, as required by the City's Consumer Protection Law. Acting Commissioner Mintz used the announcement as an opportunity to send a strong message to businesses looking to take advantage of consumers during the holiday season.

"Businesses can set their own policies and deny a return, they can even hire companies to track repeat-returners, but it is illegal to not disclose those terms before a purchase is made. It's good business practice, and it's the law," said DCA Acting Commissioner Jonathan Mintz. "We're pleased these major retailers have agreed to full compliance with New York City's landmark Consumer Protection Law."

In addition, the DCA settled violations with seven other City retailers - American Design Furniture, Best Buy (six stores), Best C&N Furniture, Bombay Company, Futon Warehouse, and Sharper Image – for charging customers "restocking fees" without clear disclosure. These companies paid the City a total of \$4,250 and agreed to full compliance. "Restocking fees" are fees charged for items returned, but by law, they must be disclosed as part of the store's return policy before a purchase is made.

The DCA conducts routine inspections citywide and responds to consumer complaints. In Fiscal Year 2005, 91% of all businesses inspected were in compliance for proper receipts and refunds. By law, retailers in New York City can establish their own return policies, as long as the policy is conspicuously displayed. Posted return policies must include any restocking fees that are imposed, as well as all reasons why a return might not be accepted. If no policy is posted, the retailer must give the consumer 20 days to get a refund in the manner in which the purchase was paid. (This does not apply to food, perishables, custom-made or custom-finished goods, and items with defects that the consumer was made aware of when the sale took place).

For more information, the DCA offers a full list of holiday shopping tips online at www.NYC.gov/consumers. To file a complaint, call 311 (or 212-NEW-YORK outside NYC) or go online to the DCA website.