

Monday, November 21, 2005

ATTENTION HOLIDAY SHOPPERS!

CONSUMER AFFAIRS REMINDS SHOPPERS TO BEWARE OF HIDDEN GIFT CARD FEES, RETURN POLICY TRAPS, SALE OFFERS & MORE

It's that time of year again...and the New York City Department of Consumer Affairs (DCA) wants consumers to be careful, know their rights, and shop wisely! As we approach the busiest shopping week of the year, DCA Acting Commissioner Jonathan Mintz today released a list of holiday shopping tips to help visitors and residents taking advantage of everything the Big Apple has to offer.

"Even the smartest consumers buy gifts that get returned. Consumer Affairs wants gift givers to make sure they know their rights and the store's return policies to avoid any unnecessary surprises," said DCA Acting Commissioner Jonathan Mintz. "While one of the true pleasures of being in New York during the holidays is great shopping, we urge consumers to shop smart. Know what to look for, know what to avoid, and know your rights."

To protect consumers and help make informed choices, the DCA offers the following tips for holiday gift shopping. The DCA urges New Yorkers to file complaints by calling 311 (or 212-NEW-YORK), the City's 24-hour hotline, or online at www.NYC.gov/consumers.

GIFT CARDS

More than 50% of consumers nationwide hope to receive a gift card, according to the National Retail Federation. Gift cards have grown in popularity, partly due to the ease of purchase. New York laws protect consumers from hidden fees and unclear terms and conditions on gift cards.

- **Posting requirements.** By law, retailers must disclose on conspicuously posted signs that there are terms and conditions (i.e. limitations, fees, expiration dates, etc.) for gift certificates or gift cards. Retailers have the option to list terms and conditions on the gift certificate/card, but only if there is a toll-free number also included on the gift certificate or card.
- **Illegal fees.** Retailers are prohibited from charging any retroactive fees for gift certificates/cards, or charging monthly fees on cards that are used within one year.

RETURNS / RECEIPTS

- **Know the Refund or Exchange Policy.** Merchants can establish their own policies, so long as it is prominently displayed. 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.) Some merchants extend their refund periods to facilitate holiday returns.

- **All limitations and conditions to a retailer's return policy must be posted clearly and conspicuously.** Merchants that track returns to protect against abuse of their return policy must post the reason why they would not accept a return.
- **Always Get a Receipt and Save It.** Under New York City's Consumer Protection Law, you are entitled to a receipt for purchases over \$20. Upon request, you are also entitled to a receipt for purchases between \$5 and \$19.99. All receipts must include the total amount paid, date, business name and address, the make and model of the item you bought, and license number if applicable.
- **Ask for a Gift Receipt.** Some stores will issue gift receipts for purchases, allowing the person who receives the gift to make an exchange. The price is not listed on gift receipts, but the original sale is maintained in the store's computer.

SHOPPING ONLINE

- **Shop with companies you know.** Be wary of companies that don't offer a phone number where you can get more information.
- **Learn a company's online privacy policy.** Many companies post their privacy policy on their site. It should disclose the information being collected on the site and how that information is being used - including account numbers and other personal information. If you can't find a policy, send an email or written message to the site to ask about its policy and request that it be posted on the site.
- **Never give out your social security number, mother's maiden name, or former address online.**
- **Delivery and purchase protection.** By law, a company must ship your Internet purchase within the time stated or within 30 days if no time is specified. For consumers using their credit cards to make purchases, the Fair Credit Billing Act offers additional protection. The Act makes it easier to challenge billing errors and dispute charges for unsatisfactory goods or services. If you feel uncomfortable giving out your credit card information over the Internet, shop online to choose what you want, and then order it over the phone.

DECEPTIVE ADVERTISING/PROMOTIONS

- **Don't get tricked by bogus ads and sales offers.** Classic bait and switch and sale offers that promise "Big Savings!" that sound too good to be true - probably are. These tricks and others are often commonplace during peak shopping season, so consumers beware! Special sales including "Going out of Business" or "Liquidation" sales must be licensed by the DCA. By law, advertisements or promotions that boast big savings must deliver by having the items available at the store.

PHOTOCOPYING CONSUMER IDENTIFICATION

- **Be wary of retailers that require a photocopy of your personal identification.** By law, if a retailer requires a copy of a consumer's personal identification, this demand must be clearly stated in the retailer's credit card policy and displayed clearly. While it is not illegal to photocopy identification, doing so can increase the risk of identity theft. DCA strongly advises consumers not

to allow retailers to photocopy personal information from their driver's license while shopping, regardless of the type of purchase.

POSTING CREDIT CARD LIMITATIONS

- By law retailers must post any credit card limitations, including purchase minimums.

BUYING ELECTRONICS

Stores selling electronics in NYC - computers, video/photo/audio equipment, cell phones and more - must be licensed by the DCA.

- **Know the warranty.** If you are sold a defective product, you may be able to get a replacement or refund if the warranty says so. Always think before buying expensive additional warranties. Warranties for gray market goods especially - merchandise manufactured for sale outside the United States - are often worthless.
- **Avoid bait and switch.** If a store offers a special deal, they must supply what they advertise, at the advertised price.
- **Watch out for used items sold as new.** An item may look new, but it could be used or rebuilt. Any product that has been used must be marked "used," "floor model," "rebuilt" or "refurbished."
- **Look for the Manufacturer's Suggested Retail Price (MSRP).** Electronics stores must inform customers if they are charging more than the price suggested by the manufacturer of the item. You can check the MSRP for most items ahead of time by calling the manufacturer's toll-free number or website. If you shop around you should find prices at or below the MSRP.

BUYING JEWELRY

- **Requirements for jewelry items that cost \$75 or more.** Retailers that sell jewelry (i.e. rare gems, precious stones, and semi-precious stones) for more than \$75 must give consumers a written sales slip that includes: price, weight of diamond (if applicable), and a description of item with all materials, including whether it is imitation or synthetic.
- **Always verify quality of expensive jewelry by an independent, reputable appraiser.**
- **Laws protecting against deceptive practices.** Retailers and appraisers are prohibited by law from misleading consumers about any jewelry characteristics including size, grade, quality, substance, origin, prior ownership, price, value, etc.
- **Jewelers selling estate items must be licensed as second-hand dealers by the DCA.**