



Smart Shopping Tips

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Gift Cards/ Certificates

Gift certificates and gift cards especially have become very popular in the past several years. These cards allow the recipient to “get what he or she really wants.”

In North Dakota, there is a law that addresses gift certificates/cards. This law states that the recipient may not be charged additional monthly or annual service or maintenance fees on gift certificate/cards. The time for redemption on the gift certificate/card may not be limited to a date before six years after the date of purchase. The gift certificate/card may not contain any statement suggesting that any different expiration date or redemption date apply to the gift certificate/card.

Universal or “general use prepaid” gift cards are the most frequently purchased gift cards and allow the recipient to go just about anywhere they want to make their purchase including retailers and restaurants. Examples of these general use cards include mall gift cards contained on a plastic card or other electronic payment device and redeemable at the unaffiliated stores throughout the mall.

“General use prepaid cards” (such as those sold at local shopping malls), however, are not subject to these rules. Therefore, if you are considering giving a general use card as a gift, you first may wish to inquire if there will be any fees charged against the balance on the card which would reduce value of your gift and if so, the time period within which the card must be used to avoid incurring any fees. Be sure to tell the recipient about these conditions.

If a company goes out of business or files for Chapter 11 bankruptcy, the gift card holds no value - the recipient is out of luck and the gift giver out the money.

A gift card can be the perfect gift for the “person who has everything,” but to avoid potential problems it should be spent within a reasonable period of time.

Store Return Policies

Be sure to check each store’s refund and exchange policy. If you have to return an item to a store, you have only limited rights.

A store may set its own policy, which may include a cash refund, a store credit, an exchange, or no refund at all. Others may limit the amount of time in which a return may be made, such as 30 days from the date of purchase, or charge a re-stocking fee. Many companies also allow items purchased from their catalogue or website to be returned to the local store.

It is best to ask about return/refund policies before buying anything—and always save your receipts for at least 90 days after your purchase.

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Right to Cancel

You have a right to cancel a business transaction *only* if the purchase amount exceeds \$25 *and* the sale was made away from a permanent place of business. This right applies to purchases made at a trade show, from a door-to-door salesperson, home party, or to merchandise and services sold over the telephone. It does not apply to vehicle purchases. This right to cancel must be provided orally and in writing. If you are over 65, the same rules apply except you have 15 days to cancel a purchase more than \$50.

Mail Order

The federal Mail Order Rule addresses two problems: failure to deliver and failure to make a prompt refund. The rule requires mail order merchants to deliver prepaid merchandise in the time stated in the original offer or make a refund. If no time is stated, the company has 30 days to deliver. If your mail order delivery is late, you may contact the company to request a refund.

Zero Interest Financing

Many businesses, particularly furniture stores, offer “zero interest financing” programs. They advertise “No interest for 12 months,” or “No interest, no payments until” There is nothing inherently wrong with these offers, and they can be a great deal if you understand how the programs operate.

In a no interest financing program, you defer paying for a purchase until a later date. If the purchase price is paid in full by the deferred due date, no interest charges are assessed. However, if the balance is not paid in full by the deferred due date, interest is tacked on to the unpaid balance – usually retroactive to the date of purchase. To make matters worse, the interest rate is usually 21 percent or higher. With some plans, late or missed payments void the deal and interest is charged on the unpaid full balance. There are several different no interest financing programs. The best plan offers no interest, no payment for a set period of time, with interest charged from the deferred due date forward (rather than from the date of purchase) if the balance is not paid in full. Even the best no interest financing programs may have minimum purchase requirements or restrict the brands you can purchase.

Credit Card Purchases

Under the federal Fair Credit Billing Act (FCBA), you may dispute and withhold payment on credit card charges for goods and services that you did not accept or that were not delivered as agreed. You must send a written notice of the disputed charges to the card company within 60 days after the first credit card statement was mailed to you. The credit card company has 30 days to respond to you. For more information and contact information, see the back of your monthly credit card statement.

Product Rebates

Rebate offers can be irresistible to consumers, slashing the price at the time of purchase or promising partial or full reimbursements after the purchase. Some rebates are instant, given at the time of the sale; however, the most common type of rebate is the mail-in rebate, which requires a consumer to pay the full cost of an item at the time of the purchase, then send in documentation to the manufacturer or retailer to receive the rebate by mail. The documentation generally required includes the original sales receipt, UPC code, rebate slip and the consumer’s name, address, and telephone number. In most cases, this paperwork must be sent to the manufacturer or retailer within 30 days of the purchase. Keep a copy of everything! It can take about 12 weeks before you actually receive the rebate. By law, companies are required to send rebates within the time frame promised, or if no time is specified, within a “reasonable” time. “Reasonable” in this case often is interpreted as within 30 days.