

Consumer alert

Dear Friend,

A useful rule of thumb to follow is: If the offer sounds too good to be true, it usually is.

That's why consumers must be careful when making decisions in the marketplace. Whether buying an appliance or contracting a professional service, consumers should always make absolutely certain they are receiving the product or service they want at a fair and reasonable price.

The state Assembly has enacted several laws that protect consumers against unscrupulous sellers and unfair business practices. I have prepared this brochure to help you better understand your rights as a consumer and to provide some common examples of the kinds of deceptive business practices that cost consumers millions of dollars each year.

As always, if you have any questions or comments about this or other issues, please contact my office.

Sincerely,



John T. McDonald III
Member of Assembly



Updated 2/13

Important phone numbers

NYS Attorney General
www.ag.ny.gov
General Helpline
800-771-7755, TTY: 800-788-9898

NYS Department of State, Division of Consumer Protection
www.dos.ny.gov/consumerprotection/
Helpline
518-474-8583, 800-697-1220

Federal Trade Commission
www.ftc.gov
877-382-4357, TTY: 866-653-4261

Assemblymember
John T. McDonald III

Albany Office:
Room 417, LOB
Albany, NY 12248
518-455-4474

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Let the Buyer Beware

Consumer rights in NYS

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The bait and switch

This is a classic scam. A product will be advertised at a price below cost in order to “bait” the customer into a store. When the customer comes into the store to buy the item, the retailer claims it’s either out of stock or a bad product. The retailer, who never intended to sell the advertised product or only a limited number of items, will then attempt to persuade the customer to purchase a more expensive item.

Rebates

While some rebates offer significant savings, businesses often count on consumers not claiming them, or the business never sends the rebate or sends the rebate months after receiving a request for redemption. In addition, some businesses use potentially deceptive or unfair business practices by making the rebate process complicated.

A law, passed by the Assembly, requires businesses offering rebates to provide the rebate form at the time of purchase and to allow at least 14 days for the consumer to submit a request for redemption. It also requires businesses to mail rebates to the consumer within 60 days.

Checks by mail

Banks and finance companies often mail simulated checks seemingly worth thousands of dollars to consumers with good credit. An accompanying letter touts low monthly payments and suggests how the money can be used to buy the luxury items that you’ve earned.

Only the fine print details annual interest rates as high as 21 percent and long-term payments. The check is, in fact, a consumer loan at rates two and three times higher than conventional loans. Don’t be fooled by the packaging. And always read the small print carefully.

Free trial offers

Free-trial offers can be a good deal for consumers. Some offers, however, fail to clearly disclose a consumer’s obligation to cancel during the “risk-free” period. This can lead to situations where consumers are charged for goods or services they did not intend to purchase. To ensure that consumers are able to make informed decisions regarding free-trial offers, the Legislature passed a law requiring entities offering free trials to clearly and conspicuously disclose the terms of the offer, obtain the express consent of the consumer to accept the offer and provide adequate notice to consumers regarding the deadline to cancel a free-trial offer.

Winning contests you never entered

The next time you receive an unsolicited letter awarding you an expensive gift, ask yourself this: When is the last time anyone won a prize for a contest he/she did not enter? The truth is, these prizes are usually used to promote products like real estate or vacation timeshares. You’ll find the diamond you won is the size of a pinhead or the food processor is a cheap, hand-operated food chopper. You may be asked to attend a sales meeting to pick

up your gift or send a shipping and handling fee. Be skeptical of unsolicited mail that is marked urgent or resembles telegrams. And never give your credit card number, Social Security number or bank account number to show eligibility or to confirm an award. In short, avoid any prize that costs you time or money.

“800” numbers

Most “800” numbers are toll-free, but increasingly, consumers are being illegally charged for these calls on their telephone bills. If you use an “800” number that has a fee, the service must either ask you to pay with a credit card or make billing arrangements over the telephone. They also must provide security protection devices – like a personal identification number (PIN) – to prevent unauthorized access to the service. An advertised “800” number service cannot automatically transfer your call to a pay-per-call “900” number, make collect calls back to you, charge you for information without your permission, or bill you at an expensive international long-distance rate. Be suspicious of “800” number information services that advertise on late-night television, cable, classified and personal ads, or have international prefixes like “011” or “809.” These services may include adult talk lines, dating, horoscopes, or psychic readings.