



Attorney General DeWine's Twelve Tips to a Scam-Free and Smart Shopping Season

1. Layaway

Complaints:

The Ohio Attorney General's Office has received approximately a dozen complaints about layaways since January 1, 2011. In their complaints, many consumers said the business closed while they were paying for items on layaway. As a result of the closing, they never received a refund or the merchandise.

Warnings and tips:

- Ask for a written description of the store's layaway program before you agree to it, regardless of the cost of the items you place on layaway. Find out if you can get a sale price for an item if it goes on sale during the time you have it on layaway or if there are any additional fees if you cancel the layaway. Understand all the terms and conditions. Some stores only offer certain merchandise, or have days where layaways may not be available.
- Save all payment receipts, contracts, and related documentation until you receive your product.
- Be careful with online layaway. Some companies work with major retailers to provide layaway plans through the Internet. As with in-person layaways, make sure you understand all the terms and conditions before using these services.
- Only do business with reputable sellers. You can check them out with the Ohio Attorney General's office and the Better Business Bureau.
- If a company files for bankruptcy, you may file a proof of claim with the bankruptcy court. However, even if you do this, it can be difficult to recover money from companies that are no longer operating.
- If a branch of a company shuts down, contact the corporate headquarters and explain the situation citing all necessary documentation.
- Keep in mind that consumers are almost always better off saving their money until they can afford to pay the full amount for the purchase.

Ohio law:

Under Ohio law, in a layaway plan for an item worth less than \$500, stores are not required to provide a written contract to consumers, but they must give consumers written notice if they miss a

payment. Consumers then have 10 days to make up the missed payment. If they don't make up the payment, the store is entitled to \$25 or 10 percent, whichever is less.

For layaway agreements of \$500 or more, the store must provide the consumer with a written contract. If they want to cancel, consumers must do so in writing. They may cancel within 5 days without penalty. After 5 days, if the consumer cancels or defaults, the store can keep up to 50% of the amount the consumer has already paid.

More information about layaway can be found at

<http://www.ohioattorneygeneral.gov/Services/Business/Complying-with-Ohio-Consumer-Law--A-guide-for-busi/Sections/Layaway-arrangements> .

2. Buying goods and services

Tips:

Consumers who plan to buy large appliances or other big-ticket items should make sure they understand return policies, warranties, and any service agreements they sign.

Ohio law:

Some consumers mistakenly believe that Ohio's Lemon Law covers major appliances, such as dishwashers. In reality, the Lemon Law applies only to new motor vehicles.

Complaints:

The Ohio Attorney General's Office has received approximately 200 complaints about large appliances since Jan. 1, 2011. Common problem areas involve repairs and services, poor service/shoddy work, and warranties.

3. Gym memberships

Ohio law:

Ohio consumer law gives consumers three business days to cancel a contract with a health spa, dance studio, diet center, dating agency, or martial arts school. Cancellations must be in writing. The law also says that if consumers can no longer use a membership due to a move or a disability, then the consumer is responsible to pay only for the portion of the membership when services were available. This also applies if the gym shuts down.

Complaints:

The Ohio Attorney General's Office currently has approximately 280 complaints in the product/service area of "fitness/health memberships/martial arts" since Jan. 1, 2011. Common problem areas involve cancellation rights, billing issues, and misrepresentation.

Tips:

Before signing a contract, consumers should understand the refund/cancellation policy, the payment policy, and all other terms and conditions. They should ask questions about anything they don't understand before signing the agreement.

4. Advance fee loan scams**About the scam:**

In an advance fee loan scam, con artists ask for upfront fees in exchange for a loan or line of credit. Consumers often are asked to wire money to another country to secure the loan. After sending the money, however, consumers receive nothing.

Complaints:

Since January 2011, the Ohio Attorney General's Office has received hundreds of complaints about advance fee loans or advance fee credit cards. While some of the complaints involve disputes against legitimate businesses, many represent scams. Consumers who apply online for loans are especially targeted by these scams.

Signs of an advance fee loan scam:

- Requests for wire transfers in exchange for a loan
- Calls or e-mails offering loans
- Claims of "guaranteed" loans or lines of credit
- Demands for advance fees, such as a "bank processing fee"
- Requests for money sent via wire transfer
- Companies that fail to provide loan information in writing

Related scam: phony debt collectors:

In a related scam, consumers are contacted by "debt collectors" who demand payment on past-due loans. As with advance fee loan scams, consumers who receive these calls frequently say they had applied online for a payday loan but never received the loan and do not owe the money. Sometimes the callers threaten consumers with arrest or jail time if they refuse to pay. Consumers should tell debt collectors to provide written verification of the debt. If they refuse, they should not be trusted.

5. Package scams

Fake check delivery scams:

To make their ploys seem real, scam artists may send a counterfeit check or money order inside a FedEx package or other official-looking package. No matter how it's delivered, an unexpected check or money order is almost always a scam.

Phishing emails from shipping companies:

In this scam, consumers receive unsolicited emails from companies asking them to verify accounts or pay to get a package delivered. Signs that an email is a phishing scam include:

- Claims of urgency, “act now or your account will be shut down”
- Grammatical errors or misspellings
- Unexpected requests such as paying money to have a package delivered
- Only one form of contact information provided, for example, only a website is listed – there are no phone numbers, email addresses, or physical locations available

Complaints about shipping companies:

We do not have a specific category for shipping complaints, but we have received about 35 complaints involving the major shipping companies since January 1, 2011. Most of these complaints were about phishing emails or packages not being delivered on time.

Consumers who have problems with shipping packages should first file a claim with the company they used to send the package. If that doesn't work, they can file a complaint with the Attorney General's Office. *Note:* The Ohio Attorney General's Office does not have jurisdiction over complaints against the United States Postal Service.

6. Returns and restocking fees

Ohio law:

Sellers are not required to have any specific type of return policy under Ohio law. However, if a store has a refund policy, it must be clearly and conspicuously posted. A refund policy may not be printed only on the receipt, because the consumer does not see the receipt until after the purchase has been made. If a seller does not have a refund policy posted, the consumer is entitled to a refund, if the consumer requests it.

Ohio law does not prohibit restocking fees, or fees for returning an item to the shelves. Nevertheless, sellers should clearly and conspicuously disclose any restocking fees before the consumer makes a purchase.

Complaints:

“Refund or return policy” is a common problem area for consumer complaints filed with the Ohio Attorney General’s Office. There are currently about 1,400 complaints in 2011 that list “refund or return policy” as the main problem area. The complaints span multiple complaint categories.

7. Ticket scams

Scams:

When searching for tickets to concerts or other events online, consumers should be aware that they may not receive valid tickets. One consumer reported buying tickets for an event from a craigslist seller. The consumer paid for the tickets, arrived at the venue, and was told that the tickets were counterfeit. Another consumer wired money to have tickets sent to her. The tickets were never delivered and the money was lost.

Tips for purchasing tickets:

- Only buy tickets from reputable companies
- Do not wire money to receive tickets

Complaints:

Since January 1, 2011 there have been at least two complaints about ticket scams.

8. Work-at-home scams

About the scam:

Consumers receive notice that they’ve been selected for a “mystery shopping job” or other employment opportunity. They’re asked to evaluate a wire transfer service by wiring money, or they’re asked to set up a special account where the “employer” can deposit payment. Of course, there is no actual job; it’s all a scam.

Complaints:

Since January 1, 2011, the Ohio Attorney General’s Office has received approximately 185 complaints involving “work-at-home.” While not all the complaints represent scams, most do. For example, more than half of the work-at-home complaints involve a counterfeit check or money order.

Tips:

- Signs of a job scam include:
 - Jobs that require you to set up a special account to receive or to make payments.

- Jobs to evaluate wire transferring services, such as Western Union.
 - Companies that ask you to click on a link or otherwise direct you to a specific website for a credit check.
 - Jobs to do at-home medical billing or payment processing.
 - Any job that requires you to send money via wire transfer.
 - Requests for your personal information and account numbers.
 - Companies that charge you for information about government jobs.
- Understand that if you send payment via wire transfer or re-loadable cash card, you likely will not be able to recover your money. (The money you send may be picked up within minutes after you send it.) Unlike with credit cards, there is no law that gives you the right to dispute fraudulent/unauthorized charges sent via those methods.
 - Research a business before applying for or accepting a job offer. For help avoiding job scams, contact the Ohio Attorney General's Office.

9. Online shopping

Tips:

- Check the seller's reputation. Don't judge a company by its website. Check feedback ratings and reports from the Attorney General's Office and the Better Business Bureau.
- Contact the seller. Verify the seller's physical location and phone number. Call before you send money. Don't trust companies that you cannot locate. To be safe, deal with local sellers you can meet in person. Always meet in a public place and bring someone with you for safety. Limit the amount of personal information you give to a seller. Only reveal what's absolutely necessary.
- Ask about return policies. Ask what factors will affect your ability to receive a refund. Also check privacy policies, shipping and handling fees, delivery options, and timetables for delivery.
- Use a secure Internet connection and protect your privacy. Don't trust a website just because it claims to be secure. Look for the lockbox at the bottom right hand corner and "https://" in the Web address. Also look for a choice to "opt out" of having your personal information shared or used for marketing purposes.

10. Gift cards

Gift card regulations:

Consumers have certain gift card rights under Ohio law and additional rights under federal law. Both sets of rights combine to provide the maximum protection for consumers. In general, most gift

cards must last at least five years and sellers generally cannot impose inactivity fees for at least two years after the card's issue date.

Tips:

- Restrictions of use: Look for any limitations to where, when or how you can use the gift card. If a gift card has restrictions or limitations, they must be disclosed before the card is purchased.
- Beware of gift card scams: Before you buy a gift card, look for signs of tampering, such as scratches or a card that has been removed from its wrapping or holder. When you buy a gift card, ask the cashier to scan the card to make sure it has the correct value. Keep the original receipt with the gift card. Be careful buying gift cards online.
- Buy only from trustworthy stores and sellers. Check the reputations of retail stores and Internet sellers with the Ohio Attorney General's office and Better Business Bureau before you purchase gift cards from them.
- Gift card use if a store goes out of business: If a store closes or goes out of business, it likely will not honor unused gift cards. Always purchase gift cards from reputable stores and try to redeem your gift cards as soon as possible.

Complaints:

We have received about 65 complaints since January 1, 2011, regarding gift cards. Many complaints deal with companies going out of business before consumers were able to redeem the card.

Scams:

Some scam artists promise free gift cards for small credit card fees. This is a ploy to get information about the consumer, especially credit card numbers.

More information about gift cards is available at

<http://www.ohioattorneygeneral.gov/Services/Business/Complying-with-Ohio-Consumer-Law--A-guide-for-busi/Sections/Gift-cards>

11. Military leave scam

Scams:

Family members and friends of active-duty service members should beware of individuals who ask for money in exchange for granting military leave to their loved ones.

In one version of the scam, the letter received is from "General Robert Gate" explaining that their military member has been considered for leave, and that the consumer must immediately send \$1,200 via wire transfer to a Fort Hood agent in Illinois to cover transit and related expenses. The letter explains that if the consumer does not send the payment quickly, the leave approval will be revoked. In reality, the letter is a scam and consumers will lose any money they send.

The military will not ask family members or friends of deployed service members to provide payment in exchange for granting leave.

12. Rain checks

Ohio law:

Sellers who run out of advertised goods or services are required to provide consumers with a rain check. The rain check allows consumers to purchase the product at a later date for the sale price.

This requirement does not apply if the advertisement clearly and conspicuously discloses the number of goods available, the merchandise is seasonal or clearance, or that no rain checks will be given.

More information about rain checks can be found at

<http://www.ohioattorneygeneral.gov/Services/Business/Complying-with-Ohio-Consumer-Law--A-guide-for-busi/Sections/Advertising>.