

CONSUMER PROTECTION AND FRAUD



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CREDIT CARD FRAUD

What do I do if my credit/debit card is lost or stolen?

Call your issuer immediately (i.e., Visa, MasterCard, USAA, your local bank, etc.). Most card companies have a toll-free number you can call to report missing cards 24/7. It is a good idea to keep these numbers saved in your phone for easy access. It is also wise to keep a copy of all your credit card numbers along with their corresponding expiration dates. By law, once you report the loss or theft, you have no further liability for unauthorized charges. Even if someone used your card before you reported it lost/stolen, your liability is capped at \$50 per card. *See* 15 U.S.C. § 1643.

How do I dispute a credit card transaction with my credit card company and what are the credit card company's obligations?

Pursuant to the Fair Credit Billing Act, if you believe that your card has been billed for an incorrect or improper amount, you have 60 days to send written notice to your credit card company of these billing errors. Be sure to include your account number and an explanation of why you believe there is a billing error. Upon receipt of your notice, the credit card company is required to acknowledge your complaint within 30 days. The company is then required to take appropriate action within either 90 days or two billing cycles, whichever is later. The Fair Credit Billing Act requires the credit card company to correct the mistake or, after investigation, explain why the consumer does in fact owe the amount billed. In cases where the consumer alleges that he or she was billed for an item that was never received, it is the credit card company's duty to verify the item was actually delivered or mailed. A credit card company is prohibited by law from closing a consumer credit card account if the consumer has properly submitted a billing complaint unless it takes the above-described actions and submits a written explanation. Even then, a consumer still has 10 days from the time he or she receives the written explanation to pay the delinquent amount to prevent the account from being closed. Once this ten-day period ends, the company may declare the account delinquent and report such information to third parties. The credit card company is nevertheless still required to note that the bill is in dispute and must inform the consumer in writing if this delinquency is in fact reported to a third party. The Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants who, in good faith, exercise their rights under the Fair Credit Billing Act. If a billing dispute is later resolved, the credit card company must inform any notified third parties of this resolution. *See* 15 U.S.C. § 1666.

Can I withhold payment if my purchase is defective?

Yes. The Fair Credit Billing Act allows you to withhold payment on damaged/defective goods purchased with a credit card so long as (1) you made an effort to solve the problem with the merchant, (2) the amount of the transaction is greater than \$50, and (3) the purchase took place within your home state or within 100 miles of your home.

SHOPPING BY PHONE, MAIL, ONLINE, AND DOOR-TO-DOOR.

Does the Fair Credit Billing Act apply to transactions made online, by mail, and over the phone as well?

Yes. Credit card purchases, whether they be made in a brick and mortar store, by mail, over the phone, or online are still subject to the Fair Credit Billing Act.

How long does a retailer have to ship me goods that I've ordered online, over the phone, or by mail?

According to the Federal Trade Commission's "30 Day Rule," sellers are prohibited from soliciting sales via mail, internet, or telephone unless these sellers reasonably expect that they will be able to ship the solicited merchandise either (1) within the advertised time, or (2) if no advertised time, within 30 days. After the expiration of whichever of these two time periods applies, the seller must seek the buyer's consent to a delayed shipment. If the buyer does not consent, the seller must offer a refund instead. However, if you are applying for credit to purchase the item and the seller does not specify a delivery timeframe, the seller is entitled to an additional 20 days before he must have the merchandise shipped.

Is there any way I can get a refund on a purchase I made during a door-to-door sale?

Yes. The Federal Trade Commission's "cooling-off rule" allows the buyer in a door-to-door transaction up to three days to change his or her mind. However, this rule only applies to leases, rentals, or purchase of consumer goods/services priced at \$25. Additionally the sale must be made away from the seller's regular place of business and in which the seller personally solicits the sale. This rule also requires door-to-door salespersons to provide a purchaser with two copies of a cancellation form along with a receipt. To cancel your purchase, simply sign and date one of the cancellation forms and mail or hand deliver it to the appropriate address any time before midnight of the third business day after the contract date. If you are not provided with a cancellation form, you may draft your own. It is important to note that you do not have to give a reason for cancelling.

How do I remove myself from direct mailing lists and avoid unwanted phone solicitations?

To remove your name from many national direct mailing lists, write: DMA Mail Preference Service, P.O. Box 9008, Farmingdale, NY 11735.

To avoid unwanted phone calls from many national marketers, send your name, address, and telephone number to: DMA Telephone Preference Service, P.O. Box 9014, Farmingdale, NY 11735.

Sources:

15 U.S.C. § 1601 et. seq. (The Fair Credit Billing Act)

www.ftc.gov

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