

Most companies want to make you happy so you'll come back and recommend them to your friends. But when you find a company that's not making the grade, how do you resolve the problem?

This brochure explains your rights when it comes to mail and telephone order shopping, unordered merchandise, and door-to-door sales. It also tells you how to write an effective complaint letter and lists some resources for additional help.

## MAIL AND TELEPHONE ORDER SALES

Shopping by phone or mail can be a convenient alternative to shopping at a store. But if your merchandise arrives late or not at all, you have some rights.

By law, a company should ship your order within the time stated in its ads. If no time is promised, the company should ship your order within 30 days after receiving it.

If the company is unable to ship within the promised time, they must give you an "option notice." This notice gives you the choice of agreeing to the delay or canceling your order and receiving a prompt refund.

There is one exception to the 30-day rule. If a company doesn't promise a shipping time, and you're applying for credit to pay for your purchase, the company has 50 days to ship after receiving your order.

## Fair Credit Billing Act (FCBA)

You're protected by the FCBA when you use your credit card to pay for purchases.

### Billing Errors...

If you find an error on your credit or charge card statement, you can dispute the charge and withhold payment on the challenged amount while the charge is in dispute. The error might be a charge for the wrong amount, for something you did not accept, or for an item that was not delivered as agreed. Of course, you still must pay any part of the bill that isn't in dispute, including the finance charges on the undisputed amount. See our Brochure on Fair Credit Billing.

If you decide to dispute a charge:

write to the creditor at the address indicated on the monthly statement for "billing inquiries." Include your name, address, credit card number, and a description of the billing error.

send your letter in a timely fashion. It must reach the creditor within 60 days after the first bill containing the error was mailed to you.

the creditor must acknowledge your complaint in writing within 30 days after receiving it, unless the problem has been resolved.

The creditor must resolve the dispute within two billing cycles (but not more than 90 days) after receiving the letter.

## Unsatisfactory Goods or Services...

You also may dispute charges for unsatisfactory goods or services. To take advantage of this protection, you must have made the purchase in your home state or within 100 miles of your current billing address. The charge must be for more than \$50.

Make a good faith effort first to resolve the dispute with the seller. However, you are not required to use any special procedure to do so.

Note that the dollar and distance limitations don't apply if the seller is the card issuer or if a special business relationship exists between the seller and the card issuer.

## Unordered Merchandise...

If you receive merchandise you didn't order, federal law says you can consider it a gift. You can't be forced to pay for the item or return it.

If you decide to keep the merchandise, you may want to send the seller a letter stating your intention, even though you're not legally obligated to do so. Your letter may discourage the seller from sending you repeated bills, or it may clear up an error. It's a good idea to send the letter by certified mail and keep the return receipt and a copy of the letter. These records will help you establish later, if necessary, that you didn't order the merchandise.

Two types of merchandise may be sent legally without your consent: free samples that are clearly marked as such; and merchandise mailed by charities asking for contributions. In either case, you may keep the shipments.

## DOOR-TO-DOOR SALES

Shopping at home can be convenient and enjoyable. But there may be times when you change your mind about an in-home purchase. The FTC's Cooling-Off Rule gives you three days to cancel purchases of \$25 or more made at your home, workplace or dormitory, or at facilities rented by the seller on a temporary short-term basis, such as hotel or motel rooms, convention centers, fairgrounds and restaurants. See our Brochure At Home Shopping Rights.

## Some Exceptions

Some types of sales can't be canceled even if they occur in locations normally covered by the Rule. The Rule does not cover sales that:

- ◆ are under \$25;
- ◆ are for goods or services not primarily intended for personal, family or household use. The Rule applies to courses of instruction or training;

- ◆ are made entirely by mail or telephone;
- ◆ are the result of prior negotiations at the seller's permanent location where the goods are sold regularly;
- ◆ are needed to meet an emergency and you waive your right to cancel the contract;
- ◆ are made as part of your request for the seller to do repairs or maintenance on your personal property (purchases made beyond the maintenance or repair request are covered).

## Also exempt from the Rule are sales that involve

- ◆ real estate, insurance, or securities;
- ◆ automobiles, vans, trucks, or other motor vehicles sold at temporary locations; provided the seller has at least one permanent place of business;
- ◆ arts and crafts sold at fairs or locations such as shopping malls, civic centers, and schools.

Under the Rule, the salesperson must tell you about your cancellation rights at the time of sale. The salesperson also must give you two copies of a cancellation form (one to keep and one to send back) and a copy of your contract or receipt. The contract or receipt should be dated, show the name and address of the seller, and explain your right to cancel. The contract or receipt must be in the same language that's used in the sales presentation.

## HOW TO CANCEL A DOOR-TO-DOOR SALE

To cancel a sale, sign and date one copy of the cancellation form. You don't have to give a reason for canceling the purchase. Mail it to the address given for cancellations, making sure the envelope is post-marked before midnight of the third business day after the contract date. (Saturday is considered a business day; Sundays and federal holidays are not.) Because proof of the mailing date and receipt are important, consider sending the cancellation form by certified mail so you can get a return receipt. Keep the other copy of the cancellation form for your records. If the seller did not provide cancellation forms, write your own cancellation letter.

**If You Cancel your purchase...** the seller has **10 days** to:

- ◆ cancel and return any promissory notes or other negotiable instruments you signed;
- ◆ refund all your money and tell you whether any product left with you will be picked up; and
- ◆ return any trade-in.

**Within 20 days**, the seller either must pick up the items left with you, or reimburse you for mailing expenses, if you agreed to send back the items. If you received any goods from the seller, you must make them available to the seller in as good condition as when you received them. If you don't make the items available — or if you agree to return the items but don't — you remain obligated under the contract.

## PROBLEMS

Try to resolve your dispute with the seller first. Make sure you act quickly. Some companies may not accept responsibility if you fail to complain within a certain period of time.

Send a letter of complaint. A letter is important because it puts your complaint on record and lets the company know you are serious about pursuing the dispute. Be sure you keep a copy for your records.

If you can't get satisfaction, consider contacting the following organizations for further information and assistance.

### State and local consumer protection offices.

Your local **Better Business Bureau** (BBB).

**Action line and consumer reporters.** Check with your local newspaper, TV, and radio stations for a contact.

**Postal Inspectors.** Call your local U.S. Post Office and ask for the Inspector-in-Charge.

**The Federal Trade Commission.** Write: Consumer Response Center, Federal Trade Commission, Washington, D.C. 20580.

Although the FTC does not intervene in individual disputes, the information you provide may provide a pattern of possible law violations requiring action by the FTC, <http://www.ftc.gov>.

**Mail/telephone orders only.** Write: Direct Marketing Association (DMA), 1111 19th Street N.W., Washington, D.C. 20036.

**Door-to-Door sales only.** The Direct Selling Association (DSA) can help you with your complaint if the door-to-door seller is a member. Write: Direct Selling Association, 1776 K Street N.W., Washington, D.C. 20006.

## DISPUTE RESOLUTION PROGRAMS

You also may want to consider dispute resolution programs. A popular way to settle disagreements, a dispute resolution program can be quicker, less expensive, more private and less stressful than going to court. Many businesses, private organizations, and public agencies offer these programs. Two resolution techniques are mediation and arbitration.

Through mediation, you and the other party try to resolve the dispute with the help of a neutral third party — a mediator. In the course of informal meetings, the mediator tries to help resolve your differences. The mediator doesn't make a decision; it's up to you and the other party to reach an agreement. The mediator is there to help you find a solution.

In arbitration, you present your case before an arbitrator, who makes a decision. Arbitration is less formal than court, though you and the other party may appear at hearings, present evidence, or call and question each other's witnesses. The decision may be binding and legally enforceable in court.

Contact the local and state consumer protection offices, small claims courts, Better Business Bureaus, and bar associations for dispute resolution options in your area.



The Indiana Department of Financial Institutions, Division of Consumer Credit has many other credit related brochures available, such as:

### Answers to Credit Problems

- Applying for Credit
- At Home Shopping Rights
- Bankruptcy Facts
- Buried in Debt
- Charge Card Fraud
- Choosing A Credit Card
- Co-Signing
- Credit and Divorce
- Deep in Debt?
- Equal Credit Opportunity
- Fair Credit Reporting
- Fair Debt Collection
- Gold Cards
- Hang up on Fraud
- High Rate Mortgages
- Home Equity Credit Lines
- How to Avoid Bankruptcy
- Look Before you Lease
- Mortgage Loans
- Older Consumers
- Repossession
- Reverse Mortgage Loans
- Rule of 78s – What is it?
- Shopping for Credit
- Using Credit Cards
- Variable Rate Credit
- What is a Budget?
- What is the DFI?

Call our toll-free number or write to the address on the cover for a copy of any of the brochures listed or for further consumer credit information.



# How to Write a Wrong



## DEPARTMENT OF FINANCIAL INSTITUTIONS

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Indianapolis, Indiana 46204  
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1-800-382-4880

