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Quick Facts

Most companies that cater to mail-order business are legitimate, however mail-order buying generates many complaints. Investigating before buying can eliminate many mail-order problems.

Consumers have and should know their rights and responsibilities when it comes to purchasing anything by mail.

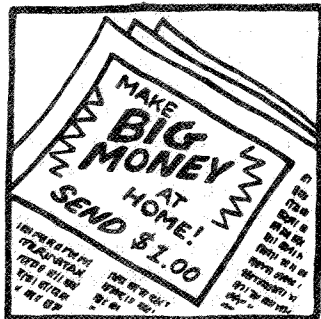
Responsibilities include knowing what the claims are for the product or service, knowing what you are buying before you send money, knowing if the merchandise can be returned or exchanged, and finding out if mail order is the best way to buy what you are considering.

Rights protect consumers against fraudulent mail business, false advertising claims for certain items and unsafe or ineffective therapeutic devices, and offer consumers alternatives for settling complaints.

Increasing numbers of people are taking advantage of shopping by mail. Predictions indicate that by 1990 one-half of each consumer dollar will be spent on products ordered through the mail.

Most companies that cater to this mail-order business are legitimate. However, as mail-order buying increases, so do complaints. Common problems include overstated claims, shoddy merchandise, failure to deliver, long delays in delivery, failure to provide refunds for undeliverable goods, failure to answer letters of complaint and outright fraud.

Consumers should know their responsibilities and rights when ordering merchandise by mail.



Consumer Responsibilities

Investigating before buying can eliminate many mail-order problems. Consumers must realize that questionable advertisements are frequently not

Ordering merchandise by mail—

consumer rights and responsibilities

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no. 9.120

screened and that claims are not necessarily true. In addition, it is difficult for regulatory agencies such as the Postal Inspection Service and the Federal Trade Commission to keep up with fraudulent offers. Opportunists can collect hundreds of thousands of dollars before they are forced to stop advertising. Self protection is the best preventive measure a consumer can take.

What can you do to keep from being disappointed or cheated? First of all, don't be in too much of a hurry to respond to an offer. Ask yourself some basic questions.

- Are the claims too good to be true?
- Do you know what you are getting before you send your money? Some advertisements offer actual products such as gifts, clothing, fruit, etc. Other offers are strictly advice, and in most cases, you will not be able to judge the quality of the advice until after you have sent your money. Buy a product or advice only if you know what to expect.

- Do you know or can you find out anything about the company before you buy? The U.S. Postal Service has consumer offices in 18 cities where information about questionable businesses will be disclosed. You can contact one of these consumer offices by filling out a consumer service card at your local post office. If there is unfavorable information about the company, you will be informed.

- Can ordered merchandise be returned or exchanged? When ordering merchandise such as clothing, it is difficult to make decisions about the size and color without seeing the items. Therefore, it is important to know if it can be exchanged for a different item or returned for a refund.

- Can you purchase the same item or a similar one locally?

- Do you know what kind of plan is involved when joining a mail-order club? Some clubs offer the option of selecting products such as books or records from a catalog. Other clubs offer "negative option plans" where items are automatically sent. Consumers must return unwanted products. For example, one company is currently offering boxes of sample products to consumers. You will receive a box monthly unless you take action to have your name removed from the mailing list.

Another type of negative option scheme is commonly used by book clubs. Members receive a monthly announcement describing the current book selection. If the club member wishes the book, nothing

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is done. If no book is wanted that month, the consumer must return a form instructing the company not to send that month's book selection. The customer must carefully read announcements and remember to return cards or unwanted items promptly.

Take care to give complete information. A common complaint from mail-order companies is that consumers fail to give complete addresses.

Keep a copy of the order and the advertisement being answered and a note of when and where it was sent. Cash never should be sent with an order. If cash is sent, there is no way of knowing if an order was received. A cancelled check is proof that the order was received by the seller.

Consumer Rights

Consumers have certain rights when they purchase items by mail. The Food and Drug Administration has the responsibility to make sure that therapeutic devices are safe and effective. The Postal Inspection Service investigates and prosecutes fraudulent mail business. The Federal Trade Commission has jurisdiction over false advertising claims for food, non-prescription drugs, cosmetics and devices used in interstate commerce.

Although these consumer rights exist, government agencies simply do not have the time, the staff nor the money to police all ads before they reach the public. This is where an informed, skeptical consumer exercises personal rights. If no one buys, the company won't stay in business.

The Federal Trade Commission regulation regarding the mail-order industry states that:

- Goods must be shipped within 30 days of receiving the order or within the time disclosed in advertising.
- Companies that cannot deliver within this time period must offer the customer the option of a refund or an additional waiting period.
- Following the second waiting period, the order is to be automatically cancelled and the money refunded unless the customer notifies the company of willingness to wait even longer.
- A mail-order company must adjust a refund to a credit account within one billing cycle.
- Cash, checks or money orders sent with purchase orders must be refunded within seven business days of a legitimate request to do so.
- Consumers do not have to accept their refund in the form of "credit" for additional company merchandise.

Services not covered by this FTC regulation include photofinishing, magazine subscriptions, book sets, seeds and growing plants, and C.O.D. orders.

If you receive goods in the mail that you did not order or did not agree to purchase, you may consider the goods as a gift. You may use the goods or dispose of them in any manner you see fit with no obligation to the sender. The sender of the unsolicited goods cannot bill for such goods or try to collect any money.

Consumer Complaints

If ordered merchandise has not been received, the consumer should first see if the check mailed with the order has been cashed. If the check has not been cashed, the buyer can stop payment on the check and cancel the order. To cancel the order, the consumer should write to the company stating that the check was not cashed, that the consumer has stopped payment of the check and that the order is cancelled.

Figure 1 gives an idea of what to say in this letter.

If a large amount of money is involved, an attorney should be contacted to see if there is a breach of contract involved and if the consumer should seek relief through the courts.

Many mail-order complaints arise from inefficient

Figure 1: Sample letter for mail-order complaints.

Name of Buyer Street Address City, State, Zip Code Date
Name of Seller Street Address City, State, Zip Code
Dear _____:
I sent you an order for (include complete description of item ordered) on (date). My check sent with the order was cashed. Attached is a photo copy of the cancelled check. This order should have been sent (within thirty days or the time specified in the ad).
In accordance with my rights under the Federal Trade Commission regulation regarding the mail-order industry, please (send me the order within thirty days or send me a refund within 7 days) from the date of this letter.
If the (order or refund) is not received within the time specified I intend to file a complaint with the Federal Trade Commission.
Sincerely, (Signature of Buyer)

business practices and a letter similar to Figure 1 will prod action.

If you don't get a response to your letter, you will need to escalate your complaint. Write to one of the following places, include copies of the advertisement, your order and your cancelled check. Send a copy of the letter to the mail-order company so they are aware that you are not going to drop your complaint.

The Direct Mail/Marketing Association, Inc. is a trade association that provides a free service to help consumers with mail-order complaints. Write to them at: Mail-Order Action Line, Direct Mail/Marketing Association, 6 East 43rd Street, New York, NY. 10017.

General mail problems may be handled by Attorney Generals' offices in each state. Ask your extension agent for addresses.

Better Business Bureaus (BBB). Write to the city where the mail-order company is located. In Colorado, Better Business Bureaus are located in Denver and Colorado Springs. The Denver address is: Rocky Mountain Better Business Bureau, 841 Delaware, Denver, Colo. 80204. Phone: 629-1036. The BBB address in Colorado Springs is 524 S. Cascade, 80903. In Fort Collins, it is BBB of Northern Colorado, 140 W. Oak, Fort Collins, CO 80521; phone: 484-1348.

For problems with nondelivery of merchandise, damaged products, right-to-cancel orders and prompt refunds, contact the Federal Trade Commission, 1405 Curtis Street, Denver, Colo. 80202. Phone 837-2271.

Certain topics have been fertile breeding grounds for possible fraudulent mail-order offers. These include health and beauty quackery, easy credit/interest-free loans, get-rich-quick schemes, and more recently, energy products. Complaints concerning these topics should be sent to the following agencies:

For complaints about fraud or advertising misrepresentation, fill out a postage-paid consumer service card available at local post offices or contact: "The Consumer Advocate," U.S. Postal Service, Washington, D.C. 20260.

Problems with safety and effectiveness of food, drug and health products should be directed to the Food and Drug Administration, New Custom House, Room 513, Denver, Colo. 80202. Phone: 837-4915.

Consumers should exercise their responsibilities by thoroughly investigating mail-order offers. If problems arise, complain. This may resolve your situation as well as eliminate the problem for the next person.