TOO GOOD TO BE TRUE….

A Column on Consumer Issues
by Attorney General Wayne Stenehjem's
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MANY CONSUMER MYTHS LIVE ON

As a consumer, it is important to be an informed shopper. Many people do their homework before making purchases, especially large ticket items; however as with everything else we encounter in the marketplace there are certain things we just assume. Any kind of long-standing myth dies hard. Here are some common myths consumers may believe to be true:

MYTH: You have a three-day right to cancel any purchase.

FACT: The three-day right to cancel exists only for some consumer transactions. North Dakota's "home solicitation sales" law gives you three days to cancel a contract when a seller has contacted you over the phone or away from the seller's normal place of business. People 65 or older have 15 days to cancel the purchase. The seller must inform you of this right both verbally **and** in writing. You must also sign a written contract and receive a copy of it for the contract to be legally binding. The three-day or fifteen-day right to cancel begins once you receive the written agreement. The right to cancel does not apply to vehicle purchases made at a dealership.

MYTH: A store must give you a refund if you want one.

FACT: North Dakota and most other states do not have laws that specifically regulate refund or return policies. Each business sets its own return policy. It may give cash, credit, exchanges or no adjustments at all. Know the policy before you make the purchase, especially if you are buying an expensive or potentially troublesome item. You have legal grounds for action on returned items only if the goods were misrepresented.

MYTH: If you receive an "awards notification" you are a guaranteed winner of a fabulous prize.

FACT: This is a common scam. Although it is tempting to believe you have actually won something, be careful. Usually, such "deals" end up costing you money in many clever ways. It is not much of a prize when you must buy something, make a donation or send a bogus tax or processing fee payment in advance to claim the "prize."

MYTH: A lemon law protects you on all big-ticket items you might purchase, including cars not under warranty.

FACT: North Dakota, as most states, has a “lemon law” that covers the purchase of new cars. North Dakota has no lemon law that applies to used cars or any other big ticket

items. You must do your homework before you pay the money; research the reliability of a product or used car before you buy. Have a mechanic check any used vehicle before you purchase.

MYTH: When solicited by a charity, almost all of the money you contributed must go to the intended charitable purpose.

FACT: Charities are not obligated to spend a certain percentage on their stated charitable purposes. Charities that hire professional fundraisers will have higher overhead costs and consequently may spend less on the actual cause. Professional fundraisers often stage concerts or other events on behalf of charities. By buying a ticket you are paying the fundraiser and making a donation to the sponsoring charity. You should ask if the caller is a paid solicitor or a volunteer for the charity. Also ask what percentage of the donation will actually go to the charity. Even if you do not buy any tickets and just make a donation, a professional fundraiser will keep a percentage of the money you donate. It is best to give directly to the charity if you are concerned about the "cut" the fundraiser is getting.

Next week we will look at more common consumer myths of the marketplace.

The Attorney General's Consumer Protection Division investigates allegations of fraud in the marketplace. Investigators also mediate individual complaints against businesses. If you have a consumer problem or question, call the Consumer Protection Division at 328-3404, toll-free at 1-800-472-2600, or 1-800-366-6888 (w/TTY). This article and other consumer information is located on our website at www.ag.state.nd.us.

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