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# CONSUMER ALERT

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The Attorney General provides Consumer Alerts to inform the public of unfair, misleading, or deceptive business practices, and to provide information and guidance on other issues of concern.

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## 'TIS THE SEASON FOR PROTECTING YOURSELF WHEN MAKING PURCHASES

With the holiday shopping season about to kick in to high gear, it's time to make your list, check it twice, and head to the store or turn on the computer to purchase gifts. While this time of the year is fun, it is also very stressful. This alert is designed to reduce some of the stress often faced when making or returning purchases.

### SHOPPING ON-LINE

On-line shopping may be a wonderful way to save time and money, but shopping on-line also comes with some risks. Some tips on protecting yourself when shopping on-line include:

**1. Never give out your Social Security number!**

Reputable on-line merchants should never require you to submit your Social Security number when making a purchase. Unnecessarily providing your Social Security number puts you at great risk of becoming a victim of identity theft; and, as a general rule, it is never necessary to provide your Social Security number when making an on-line purchase. For more information on how to protect yourself from identity theft, please see the Attorney General's consumer alert entitled "Identity Theft Information for Michigan Consumers," available on-line at [http://www.michigan.gov/ag/0,1607,7-164-34739\\_20942-80479--,00.html](http://www.michigan.gov/ag/0,1607,7-164-34739_20942-80479--,00.html).

## **2. Only shop using secure Web sites.**

Some ways to determine if a Web site is secure include addresses that begin with "https". The "s" means the Web site is secure. Typically, the "s" will not appear in the Web address until you access the order page of the site where you are asked to enter your personal information. Another indicator of a secure Web site is a closed lock located at the bottom of your screen.

## **3. Research the Web site before you place an order.**

Make sure you use only reputable Web sites that you are familiar with, or have found using a reputable and widely used search engine. If you are unfamiliar with a company, you can research them by contacting the Attorney General's Consumer Protection Division using the information provided below or by searching the Better Business Bureau Web site at <http://www.bbb.org>. Also, legitimate businesses will advertise a physical location and at least one customer service phone number that you can contact if you have a problem with your order. Keep in mind that just because a company provides you with a physical location and phone number does not necessarily mean that the company is legitimate – you should still research unfamiliar companies before placing an order.

Finally, be wary of any unfamiliar Web site that offers a good or service for a price far below average. As a general rule of thumb – if a deal sounds too good to be true, it is!

## **4. Minimize the amount of information you provide when placing an order on-line.**

Some merchants ask for personal information to sell to other merchants, direct marketers, and even telemarketers. Read a merchant's on-line privacy and security policies. Make sure you know where your information is going and opt out if you can. Also make sure you know how the company will protect your personal financial information. If you are not comfortable with a merchant's privacy and security policies, you may want to consider buying from another merchant.

One way to protect yourself from "spam" or commercial e-mail that may come from the merchant you purchased from, or from others who purchased your e-mail address, is to create an e-mail account that you use solely when ordering an item on-line. This will help keep your important and personal e-mails from getting lost in a sea of advertisements and e-mails from merchants.

**5. Use the same credit card when making all on-line purchases, if possible.**

Using one credit card to make all of your on-line purchases may help you track your purchases and make it easier to track any fraudulent transactions that may have resulted from an on-line merchant mishandling your credit card information. To further simplify detection of fraud from on-line purchases, consider having one credit card only for on-line purchases, with a relatively low credit limit, and another credit card that you use for all other purchases. This may help you track the source of any security breach and may also help cut down on the number of credit card companies you may need to contact if fraudulent charges show up on your billing statements.

**6. Do not fall victim to "phishing" or "pharming" scams and keep your firewall and antivirus programs up to date.**

"Phishing" is a term used to describe a fraudulent e-mail that pretends to come from companies you may have done business with in the past, or even government agencies. The e-mails try to trick you into providing personal financial information. Legitimate businesses and government agencies will never ask you to provide personal information in response to an e-mail. If you have concerns that the business or agency actually needs your information, call them using a phone number you know to be correct and accurate – that you find on a billing statement, on a legitimate Web site, or in the phone book – and ask them about the e-mail you received. For more information on how to protect yourself from "phishing" scams, please see the Attorney General's consumer alert entitled "Fraudulent E-mail Thieves Intend to Steal Your Personal Information," available on-line at [http://www.michigan.gov/ag/0,1607,7-164-34739\\_20942-151331--,00.html](http://www.michigan.gov/ag/0,1607,7-164-34739_20942-151331--,00.html).

"Pharming" is an attack in which a computer user is fooled into entering sensitive data – such as a password or credit card number – into a fraudulent Web site that impersonates a legitimate commercial Web site. This can be especially problematic during the busy holiday shopping season, when shoppers are pressed for time and may not pay attention to warning signs. Some ways to protect yourself from a "pharming" scam include installing and updating personal firewall and antivirus programs. Also, check regularly for updates to your operating system. Remember that any program to protect your computer from threats is only as good as your last update, so make sure you update these programs regularly. For more information on how to protect yourself from a "pharming" scam, please see the Attorney General's consumer alert entitled "Pharming – Yet Another Tool Used by Identity Thieves," available on-line at [http://www.michigan.gov/ag/0,1607,7-164-34739\\_20942-152103--,00.html](http://www.michigan.gov/ag/0,1607,7-164-34739_20942-152103--,00.html).

## **7. Watch out for high shipping charges.**

Carefully check and compare shipping and handling charges before ordering. Merchants can easily add 10 to 15% of the cost of the product, which can make great deals turn into bad deals very quickly. The best way to comparison shop, on-line and in the store, is to take into account any additional costs of buying a particular product. Along with keeping shipping and taxes in mind if you are ordering on-line, also consider the cost of travel to a particular store location to pick up an item that is on sale.

## **8. Print out and keep all copies of receipts.**

Make sure you keep these receipts organized and easy to access in case of a problem with the product. Keeping receipts is also important if you would like to return a product.

## **AVOIDING "UNHAPPY" RETURNS**

### **1. Before you return an item:**

The best way to avoid an unhappy return experience – wherever you shop – is to find out what the merchant's return policy is before you make a purchase. For example, many retailers impose a time limit on returns and require a receipt or gift receipt even if the item is a store brand. Stores may accept returns for in-store credit but not allow refunds. The tips listed below regarding on-line sales generally apply to "real world" sales as well.

On-line shoppers should scrutinize a merchant's Web site to determine whether returns are allowed and, if so, what a consumer must do to return an item. If the information is not posted, contact the merchant and ask for the information in writing. In either case, be sure to print and retain the information (along with all receipts, packing slips, and other documentation). In particular, you should find out:

- Does the merchant limit the number of returns they will accept from a particular individual or household? Some merchants have started to target "frequent returners" and refuse to accept their returns. For more information on this, check the merchant's Web sites for information on their return policies for both on-line and in-store purchases.
- Does the merchant charge a "restocking fee" to accept returns? Many on-line merchants charge a substantial percentage of the purchase price to accept a return.
- Are you responsible for paying shipping and handling charges if you return an item? These charges can be quite expensive, particularly if insurance is required.

- Will the merchant charge an "open box" fee or simply refuse to accept items after the package has been opened? Such restrictions are common for purchases of software, videos, and computer equipment.
- Will you receive a refund for the item returned, or will the merchant only give you a credit toward future purchases.
- Will the on-line business require you to obtain any sort of advance permission before returning an item? Many merchants require consumers to contact the company and obtain a return merchandise authorization number or other instructions before returning goods. Some merchants may have special shipping instructions.
- Is your right to return an item limited to a very short time period after purchase? Many on-line merchants have very short return periods – 14 days is not unusual.
- If the merchant selling on-line also operates a retail store in your area, can you simply return an item that you purchased on-line to the store? Many such retailers, sometimes called "click-and-mortar" merchants, offer consumers this convenience. But be sure to inquire about the details of a particular merchant's policy.
- Does the merchant guarantee satisfaction or your money back? While some on-line merchants do not offer guarantees or allow returns, many do. Even if such a guarantee is offered, there may be conditions attached, such as time limitations or payment of shipping costs.

## **2. Steps you can take if you are having trouble returning merchandise.**

If you have received goods that are defective or not as represented, but the merchant refuses to allow you to return the merchandise, or if you discover that the merchant is not honoring its return policy, you have a legitimate complaint. If you paid by credit card, you may wish to contact your credit card company, dispute the charges, and request a "charge back."

You may also file a complaint with the Attorney General's Consumer Protection Division. Provide *copies* of all documentations, including packing slips, copies of on-line disclosures, receipts, etc., and detail how you would like to see the complaint resolved. Direct complaints to:

Consumer Protection Division  
P.O. Box 30213  
Lansing, MI 48909  
517-373-1140  
Fax: 517-241-3771  
Toll free: 877-765-8388  
[www.michigan.gov/ag](http://www.michigan.gov/ag) (on-line complaint form)

