

Consumer Protection, Credit Card Use and Protection from Fraud



SPACE BASE DELTA 1 LEGAL OFFICE

135 DOVER STREET, BLDG 350, SUITE 2068
PETERSON SFB, CO 80914-1148
(719) 556-4871
DSN 834-4871



210 FALCON PARKWAY, SUITE 2104
SCHRIEVER SFB, CO 80912-2104
(719) 567-5050
DSN 560-5050

The information provided in this document is meant for the sole use of Active Duty service members, retirees, their families, and other personnel eligible for legal assistance from the Space Base Delta 1 Legal Office. The information is general in nature and meant only to provide a brief overview of various legal matters. Rights and responsibilities vary widely according to the particular set of circumstances in each case. Laws can vary across states, services, and civilian jurisdictions and laws change from time to time. Do not rely upon the general restatements of background information presented here without discussing your specific situation with a legal professional.

CONSUMER PROTECTION, CREDIT CARD USE AND PROTECTION FROM FRAUD

If You Use a Credit Card

If you use a credit card, you should know about your protections under Federal Law. Specifically, you should be aware of:

- How to limit your risk if your card is lost or stolen.
- What you can do if the goods you buy with a credit card are unsatisfactory or damaged.
- How to resolve credit card billing disputes with creditors.
- How to figure out and compare credit card charges.

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?

The best advice for credit card users is to keep a copy of each receipt and compare receipts with charges when you receive your bill. If you find an error, you should attempt to settle the dispute as soon as possible. Under the Fair Credit Billing Act, the consumer has 60 days to send written notice to the credit card company of any errors on a bill.

Be sure to include your account number and an explanation of why you think the bill is incorrect. The company must acknowledge your complaint within 30 days of receiving it and then must take appropriate action within 90 days or two billing cycles, whichever is later. The company is required by law either to make corrections in the bill or to investigate the complaint and explain why the consumer owes the amount billed. In cases where the consumer says he or she was billed for an item never received, it is the credit card company's duty to verify if the item was actually delivered or mailed.

If you have a complaint about your bill, the company may not close your account prior to taking the above actions and sending you a written explanation of your account. You will have at least 10 days from the time you receive the explanation to pay the disputed amount. After that time, the company can declare your account delinquent and report the information to third parties. However, the law says the company must also report that the bill is in dispute, and must give the consumer written notice if the delinquency is reported to third parties. If the dispute is later resolved, the creditor must notify the same parties of the resolution.

See the Fair Credit Billing Act, 15 USC § 1666, or consult your credit card issuer for the most

current reporting requirements for billing disputes.

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 physical store, by mail, over the phone, or online are still subject to the Fair Credit Billing Act.

Defective Goods or Services

You may withhold payment on any damaged or defective goods or unsatisfactory services purchased with the credit card, as long as you have made an effort to solve the problem with the merchant. This right is limited if the card was a bank or travel and entertainment card (e.g., MasterCard or American Express) or any card not issued by the store where you made your purchase. In such cases, the sale:

- Must have been for more than \$50.00; and
- Must have taken place in your home state or within 100 miles of your home address.

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 or she 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. There are some limitation attached to this rule, so please see the "Door-to-Door Sales" handout for further information.

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. Similarly, 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. You can also register for the National Do Not Call Registry by visiting www.donotcall.gov or calling 1-888-382-1222.

Tips on Credit Cards

Shop around for the best terms. Remember finance charges may differ depending on the

Current as of June 2021

method the creditor uses to assess them. Make sure you understand all the terms of your credit card agreement before you sign. Pay bills promptly to keep up your good credit rating and to avoid high finance charges. Keep a list of all your credit card numbers in case of loss or theft, and keep a good record of your purchases and payments.

You can also contact the credit reporting agencies (Experian, Equifax and TransUnion) to add the “Active Duty Alert” to your credit. This will make opening credit in your name more difficult by requiring a third party of your choice to verify your identity when there is an attempt to open new credit.