

Know Your Rights:

A TEACHER'S GUIDE TO CONSUMER LAW



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INTRODUCTION

Students make consumer transactions every day, yet most young people lack the information they need to exercise their consumer rights and spend their money wisely. This guide is designed to help fill that void. By understanding Ohio's consumer protection laws, students will be better equipped to make good decisions about their money.

As consumers, students are a vulnerable group. Scam artists devise scholarship scams, phony summer job opportunities and spring break ploys to take advantage of unsuspecting young adults. Identity thieves open new accounts, stealing students' good names and untarnished credit histories.

Without a firm understanding of credit, many students rack up thousands of dollars in debt before their 25th birthday. As a result, they find themselves unable to get a car loan, an apartment, or even a job by the time they graduate college.

Fortunately, a basic knowledge of consumer rights can go a long way. This guide provides an overview of Ohio consumer protection law, tips to making consumer purchases, and a list of resources that offer additional guidance.

Goals

The goals of this "Know Your Rights" toolkit are to:

- Provide information about consumer transactions and corresponding rules.
- Help educators teach students to recognize unfair and deceptive practices in consumer transactions.
- Provide guidelines that will enable students to exercise their rights under Ohio consumer law.

Objectives

After mastering this material, students should be able to:

- Understand how to read and cancel a contract, evaluate warranties and service contracts, buy a new or used vehicle, exercise their rights for repairs or services, use credit wisely, and review advertisements.
- Recognize and avoid common consumer scams targeting students.
- Explain at least five consumer rights and responsibilities, and exercise those rights and responsibilities.
- Spend their money wisely by making better consumer decisions.
- Handle consumer problems effectively.

CONSUMER PROTECTION OVERVIEW

A consumer transaction is the purchase, or solicitation of a purchase, or award by chance, of a product or service that is intended for home, family, or personal use.

Most people make multiple consumer transactions every day. When they fill up their tank with gas, when they see an advertisement for a shoe sale, or when they buy a latte from a local coffee shop, they are making consumer transactions. Similarly, students make consumer transactions when they buy a used car, upgrade their cell phones, or shop online.

In Ohio, consumer transactions are regulated primarily by the state's main consumer protection law, the Consumer Sales Practices Act (CSPA). The CSPA protects consumers from unfair, deceptive, and unconscionable practices in consumer transactions. The CSPA makes it illegal for sellers (or "suppliers") to misrepresent the nature of their businesses, their products or services, the prices of their goods, or the terms of a transaction.

The CSPA protects consumers from shoddy work, deceptive advertising, and one-sided contracts. It gives the Ohio Attorney General the authority to enforce the law and take legal action against businesses that violate it. It also gives consumers the right to pursue private litigation (file a lawsuit) against businesses that violate the law.

Under the Consumer Sales Practices Act, a seller must:

- Accurately represent the characteristics of a product or service.
- Honor guarantees and warranties.
- Make no misrepresentations about price advantages.
- Not mislead consumers.
- Not take advantage of a consumer's illiteracy, mental or physical disability, or inability to understand the terms of a sale.
- Not sell a product or service knowing the consumer cannot afford it or substantially benefit from it.
- Disclose exclusions and limitations in advertisements.
- Not sell used items as new.
- Not use bait-and-switch tactics to trick customers into paying higher prices.
- Honor rain checks within 60 days after issuing them.

In addition to the CSPA, the Ohio Attorney General enforces more than 25 consumer protection laws. For a list of these laws, please see the Ohio Consumer Protection Laws section.

Questions to Consider:

1. How does the Consumer Sales Practices Act protect me?
2. Is seeing an advertisement considered a consumer transaction?

ADVERTISING

Ohio's Consumer Sales Practices Act protects consumers from deceptive advertising practices. In general, deceptive advertising occurs when sellers make misleading price comparisons or misrepresentations about the quality, or quantity of their goods. The following list explains some of the protections consumers have under Ohio law.

Bait advertising and unavailability of goods

"Bait-and-switch" tactics are illegal. Bait advertising occurs when a supplier offers goods or services for sale, but the offer is not a *bona fide* or "good faith" offer to sell the product. The offer is considered not in good faith if the supplier: misrepresents an important aspect or function of the product or service; secures the first contact with the consumer through deception; or discourages the sale of the advertised product or service.

Example: Let's say a seller advertises a great deal on a flat screen TV in the newspaper. When you go into the store, however, you find out that particular TV is not available for that price, but the salesperson offers to sell you a similar TV—that costs \$200 more than the advertised TV. Sellers cannot use false advertisements to lure consumers into their stores and then trick them into buying higher-priced products.

Rain checks

Consumers have the right to a rain check when advertised items are sold out, unless the ad clearly states the number of items available, explains that the advertised merchandise is seasonal or clearance, or states that no rain checks will be given. Rain checks allow consumers to purchase the advertised product or service at a later date for the sale price. A rain check must be honored within 60 days after it is issued.

Consumers have 14 days to redeem the rain check once they are notified that the item is available. If the item or service is not made available within 60 days, the supplier may allow the consumer to purchase something similar at the same savings as the advertised item or service.

Exclusions and limitations

It is illegal to advertise a sale without listing any important limitations, if they exist. For example, a store must not advertise that its shoes are on sale if only *children's* shoes are reduced. Advertisements also must list important terms and conditions and extra costs, such as delivery charges, restocking fees, and handling fees. Limited times of the sale also must be disclosed. If an ad includes a picture of items that are not included in the advertised price, this also must be stated. All disclosures must be clear and conspicuous.

Example: A shoe company distributes flyers advertising "50% off shoes." The flyer has the name of the participating store, but no other information is included. When customers go to the store, they find out that in order to get 50% off, they must buy a pair of shoes at the regular price in order to get a pair for 50% off. All exclusions and limitations must be listed, so the flyer should have specified that customers would only get 50% off if they purchased a pair at regular price.

Use of the word "free"

A seller may not advertise goods as "free" when the cost of the "free" offer is passed on to the consumer by raising the regular price of the goods or services.

Example: Imagine a store advertises a “buy one, get one free” sale on a certain pair of shoes. If the regular price of the shoes is \$40, the store may not raise the price of the shoes to \$80 during the sale in order to offset the cost of the “free” item.

Use of the word “new”

Used items may not be sold as new. Refurbished or reconditioned products must be properly labeled. For example, a company that sells electronics may not advertise or sell a computer as new when, in fact, it has been used and refurbished.

Price comparisons

Price comparisons must be based on truth. In advertisements, a seller must not make misleading price comparisons that create false expectations in the minds of consumers. If a business uses terms such as “discount,” “bargain,” “outlet,” “wholesale” or “factory prices,” the terms used must accurately describe the products offered for sale. For example, a seller may not advertise that its TVs are “Regularly \$5,000, Now \$3,000,” unless \$5,000 actually is the regular price of that particular kind of TV.

Prizes

A seller may not advertise that a consumer has won a prize when the consumer must pay certain charges to receive the prize. All material (important) terms and conditions of a prize offer must be disclosed. A company may not advertise to a consumer that he or she has won a beach vacation when, in fact, the consumer must listen to a sales presentation in order to receive the vacation, unless the business informed the consumer of that requirement.

Overview of advertising rules:

- Bait-and-switch tactics are illegal.
- Sellers must issue rain checks in certain situations.
- Important exclusions and limitations of an offer must be listed in ads.
- “Free” must really mean free when used in advertisements.
- If an item is used or refurbished, sellers cannot describe the item as new.
- Price comparisons must be truthful.
- Sellers cannot offer something as a “prize” if the consumer must pay to receive it.

Questions to Consider:

1. What advertising practices are considered deceptive under the CSPA?
2. Under what conditions can a prize be awarded to a consumer in the state of Ohio?

AUTO

For most consumers, cars are one of life's biggest expenses. Consumers spend thousands of dollars to buy, insure, and fuel their motorized vehicles. Unfortunately, every year consumers report losing thousands of dollars on high pressure car sales, useless warranties, and shoddy repairs. Under Ohio law, consumers *do not* have a general right to cancel the purchase of a vehicle. Therefore, it is important for consumers to do extensive research and to understand their auto rights before buying a car.

Buying a car

Before buying or leasing a new or used car, thoroughly research your options. Auto and consumer Web sites, books, and magazines can help you compare prices and model options. Check a dealership's reputation with consumer agencies, including the Ohio Attorney General's Office and the Better Business Bureau, as well as with family and friends.

Once you decide on a vehicle, research how much the dealership paid for a new car (the invoice price) and if there are available rebates (money back for your purchase). Check for recalls and safety features. If you are buying a used car, check the vehicle's history with the Ohio Bureau of Motor Vehicles (www.bmv.ohio.gov) and the National Motor Vehicle Title Information System (www.nmvtis.gov) by running a title search. You also may use one of several Internet-based history report services, but be aware that these reports do not always reflect the full vehicle history.

Car titles

A certificate of title is a document that proves ownership of a vehicle. In order to drive legally in Ohio, your vehicle must be registered with the Bureau of Motor Vehicles. Additionally, a dealership must provide a title to you within 30 days of the date you purchase the vehicle. If the dealer doesn't deliver your title on time, you should file a complaint with the Ohio Attorney General's Office. The office will work with the Bureau of Motor Vehicles and the dealership to get your title. The office also administers a program called the Title Defect Rescission (TDR) Fund ([R.C. 4505.181](http://R.C.4505.181)) that protects consumers who fail to receive titles within 40 days of the purchase.

Payment options

In general, consumers have three options for paying for a vehicle: paying in full, financing, or leasing. Compare the total cost of each option before making a decision. If you finance the purchase of a car, determine the *total price* you are willing to pay. Compare options among banks, credit unions, Web sites, and dealerships to find the lowest annual percentage rate (APR). Base negotiations on the total purchase price, rather than the monthly payment. Never tell a dealership how much you can afford to pay each month. Also wait until later in the process to discuss trade-ins. To get the best deal, finalize the purchase price before you discuss trade-ins.

"AS IS"

If a used car is sold "as is," it is not protected by a warranty. Buying a car "as is" means the consumer is responsible to pay for any problems that occur after the purchase is made. Consumers do not have the right to cancel or return a vehicle after they buy it.

If you buy a vehicle "as is", thoroughly inspect the vehicle before paying any money for it. Test-drive the vehicle under a variety of road conditions. Use an inspection checklist to check the condition of the vehicle. (Inspection checklists are available online, in books, and in magazines.) Also have the vehicle inspected by an independent, trustworthy mechanic.

Online vehicle sales

Buying a car on the Internet can be risky. Some sellers post phony pictures or otherwise cover up serious problems with the vehicles they sell. In certain cases, sellers collect payment but fail to deliver the vehicles entirely, costing consumers thousands of dollars.

If you buy a car online, follow these tips:

- Check the seller's reputation. Don't buy from an unreliable seller.
- Test drive before sending money. Don't trust pictures on the Internet.
- Pay with credit. Credit allows you to dispute unauthorized charges.
- Get everything in writing. Any verbal promises made by the seller should be put in writing to be binding.

Ohio's Lemon Law

A "lemon" is a new motor vehicle that has one or more problems, covered by the warranty, which substantially impair the use, value, or safety of the vehicle. The law only applies to vehicles within the first year or first 18,000 miles of use, whichever comes first. Therefore, the Lemon Law generally does not cover used cars.

If you believe you have a lemon, take the vehicle back to the manufacturer or the dealer and ask them to fix it. (In general, the manufacturer is the company that makes the car, whereas the dealer is the company that sells the car.) The manufacturer has a reasonable opportunity to fix the problem. If the manufacturer fails to fix the problem after a reasonable opportunity, you may be entitled to a full refund of the purchase price of the vehicle.

Questions to Consider:

1. When buying a car, what are some tips for negotiating the price?
2. When purchasing a used car, what should be taken into consideration?

CONTRACTS

Consumers enter into contracts when they use a credit card, rent a car, buy a cell phone, or hire a company to do home improvement work. A contract is a legally binding agreement between two or more parties that spells out each party's obligations. When consumers purchase goods or services from a company, they enter into a contract with that company.

Generally, a signed contract cannot be changed or broken unless both parties (sides) agree to the change. It is also assumed that by signing a contract, the consumer has read the contract and understands all the terms and conditions. Before signing a contract, consumers should be sure they really want or need what they are purchasing and that they can afford to pay for it. Consumers also should make sure a contract includes all verbal agreements. *If a promise is not put in writing, it is not guaranteed.*

Cell phone contracts

If you buy a cell phone and wireless service, you likely will sign a written contract with a cell phone company. The company's obligation under the contract is to provide you a phone and wireless service. Your obligation is to pay the company for those services.

The written contract likely will include information such as the company's return policy and whether upgrades will automatically extend the length of your contract. It is your responsibility to read and understand all the terms and conditions of the contract before you sign. Promises made by the salesperson are not guaranteed unless they are included in the written contract.

Gym memberships and prepaid entertainment contracts

Ohio's Prepaid Entertainment Contracts Act (starting at [R.C. 1345.41](#)) protects consumers who enter into certain contracts for prepaid entertainment, such as dance studio lessons, social referral services (such as dating services), martial arts training, and health spa services (such as a gym membership).

Under this law, consumers have a three-day right to cancel a prepaid entertainment contract. Specifically, they have until midnight of the third business day after which the first service is available to cancel the contract. Health clubs and other prepaid entertainment sellers are required to give consumers notice of their right to cancel. If a consumer chooses to cancel the contract, the cancellation must be in writing and the cancellation letter must be postmarked by midnight of the third day.

The Prepaid Entertainment Contracts Act also says:

- If the facility relocates 25 miles or more from a consumer's home, or if the consumer moves 25 miles or more away from the facility, the consumer has the right to a refund that is proportionate to the time remaining in the contract. The only exception is if a similar facility within 25 miles of the consumer's home takes over the contract.
- If the facility has not yet opened for business, the consumer's right to cancel extends to seven days after the first service under the contract is available. In the event of a cancellation, the company must refund any money the consumer has paid, minus an expense fee of up to \$10.
- The facility or services must be available to the consumer no later than 180 days (6 months) after the contract is signed.

- The business cannot require the consumer to pay more than \$50, or 10 percent, of the total contract (whichever amount is less) before the facility opens.
- The terms of a prepaid entertainment contract cannot exceed three years in length.

The Prepaid Entertainment Contracts Act *does not* include all prepaid contracts. Contracts not covered by the law include: prepaid tanning salon sessions; prepayment for a DJ; prepaid plans at laser tag or paint ball facilities; and prepaid plans for ring tones or other cell phone services.

Limited contract cancellation rights

Under Ohio law, the right to cancel a contract exists for *only a limited number* of consumer transactions:

- **Door-to-door sales: 3 days.** The Home Solicitation Sales Act (starting at [R.C. 1345.21](#)) gives consumers three days to cancel sales of \$25 or more made in their homes or at a location that is not a company's regular place of business, such as a bridal fair, or a home improvement show.
- **Credit and debt counseling services: 3 days.** Consumers have three days to cancel credit and debt counseling services under the Credit Services Organization Act (starting at [R.C. 4712.01](#)).
- **Prepaid entertainment contracts: 3 days.** Under Ohio law, "prepaid entertainment" agreements only include contracts with health spas, dance studios, diet centers, dating agencies, and martial arts schools. The Prepaid Entertainment Contracts Act (starting at [R.C. 1345.41](#)) does not apply to all kinds of prepaid contracts, such as prepaid tanning salon sessions, prepayment to a DJ, prepaid plans at laser tag or paint ball facilities, and prepaid plans for ring tones or other cell phone services.
- **Home equity loans or mortgage refinancing: 3 days.** The federal Truth in Lending Act gives consumers three days to cancel a home equity loan or a mortgage refinancing.
- **Business opportunity plans: 5 days.** Under Ohio's Business Opportunity Purchaser's Protection Act (starting at [R.C. 1334.01](#)), consumers have five days to cancel a business opportunity agreement, in which a buyer pays a seller for the rights to offer, sell, or distribute goods or services.
- **Hearing aids: 30 days.** Under the Hearing Aid Returns Act ([R.C. 1345.31](#)), consumers have the right to return a hearing aid for any reason within 30 days after it is originally delivered.
- **Telemarketing sales: 7 days or until buyer signs a written agreement,** depending on the type of transaction. The Telephone Solicitation Sales Act (starting at [R.C. 4719.01](#)) provides sellers with two options for cancellation rights.

NOTE: Except as provided under the laws described above, consumers do not have a general three-day right to cancel a contract or purchase. For example, the right to cancel does *not* include auto sales. Under Ohio law, consumers do not have the right to cancel the purchase of a motor vehicle.

Questions to Consider:

1. What should a consumer do before signing a contract?
2. What rights do I have if my gym relocates more than 25 miles away?

How to cancel a contract

Under Ohio law, cancellation periods are measured in business days, and generally, they do not begin until the consumer receives written notification of the right to cancel. Business days are Mondays through Saturdays. Sundays and federal holidays, such as Memorial Day and Thanksgiving Day, are not considered business days.

To take advantage of a three-day right to cancel, a consumer must cancel *in writing* by midnight of the third business day after the transaction. For example, if you sign a contract with a martial arts school on Saturday, then under Ohio's Prepaid Entertainment Contracts Act, you have until midnight on Wednesday to cancel the contract. If no contract is used, or if the contract does not comply with the law, then your right to cancel is extended until the requirements are met.

When a seller enters into a contract for which cancellation rights apply, the seller should provide consumers a cancellation form at the time of the sale. To cancel the contract, the consumer may sign and date the form and mail it to the address provided for cancellation.

If no cancellation form is provided, consumers may write a letter notifying the seller of the cancellation. Consumers should send their cancellation letter or form via certified mail and request a return receipt as proof of delivery. Consumers should keep a copy of the delivery receipt as well as a copy of the cancellation letter or form. Cancellation is effective upon the date of postmarking, which means the cancellation form or letter must be put in the mail and processed before the cancellation period ends.

Consumers also may cancel a contract by personally delivering the cancellation to the appropriate address of the seller. In this case, the consumer should bring a witness.

NOTE: Under Ohio law, it is *not* acceptable to cancel a contract via e-mail, fax, or telephone.

Overview and tips for signing a contract:

- Contract cancellation rights apply to certain types of contracts only.
- Take your time before you sign a contract. No one should rush or pressure you into signing a contract. Read the small print, because you will be bound by the terms once you sign the contract. Understand all the terms and conditions. If you do not fully understand any part of the contract, take the unsigned contract to a trusted family member, teacher, or attorney for advice.
- Never sign a contract that contains blank spaces. If part of a contract is blank, draw a line through the space and initial it. Otherwise, information could be added later without your knowledge or permission.
- Make sure all verbal agreements or promises are included in the written contract. If a promise is not put in writing, it is not guaranteed.
- Keep a copy of any document you sign. Store these copies in a safe place, so that you will have them in case a problem arises.

Question to Consider:

1. Under Ohio law, how can a consumer cancel a contract?

CREDIT

Buying with credit allows you to buy now and pay later. Credit card companies let consumers borrow money in exchange for charging interest and other fees. Unlike other forms of payment, credit cards allow you to “revolve” your credit, which means you can avoid paying in full each month by carrying a balance. You will be charged extra fees—primarily in the form of interest—if you do not pay off your credit card balance.

Credit cards help consumers establish good credit, but they also make it easy for consumers to make expensive purchases they cannot really afford. Consumers who do not pay off their bills can end up owing hundreds or thousands of dollars in interest alone.

Credit card terminology:

- **Annual Percentage Rate (APR):** Your APR is how much it costs each year to borrow from your credit provider. Keep in mind that an offer for “0% APR” only lasts for an introductory period, after which your APR will increase.
- **Cash advance:** You can use your credit card to withdraw cash through a cash advance, but most credit card companies charge extra for this. If you need cash, it may be better to use your debit card, provided you have a sufficient balance in your account.
- **Credit freeze:** A credit freeze (or “security freeze”) prohibits a credit reporting company from disclosing your credit file to third parties without your consent. Placing a freeze on your credit report helps you control access to your file and would keep an imposter from opening an account in your name. Contact the credit reporting companies to place a freeze on your credit reports.
- **Credit report:** A credit report is similar to a financial report card. It contains information about you, such as your name and address, as well as information about any credit accounts you have in your name, such as a credit card, a car loan, or even a cell phone. If you have credit in your name, you should have a report from each of the three credit reporting companies: Equifax, Experian, and TransUnion.
- **Credit score:** Your credit score identifies how “credit-worthy” you are. Late payments and missed payments lower your score. A bad credit score can stick with you for years, and it can cause you to be turned down for a job, an apartment, a mortgage loan, or even insurance.
- **Grace period:** This tells you how much time you have to pay your credit card bill without having to pay interest. A typical grace period may be 21 to 30 days; however, not all types of charges you make with your credit card have a grace period. That means that sometimes you’ll be charged interest *right away*. A cash advance charge often has no grace period.
- **www.annualcreditreport.com:** Under federal law, you have the right to check each of your three credit reports for free once a year. Annualcreditreport.com is the only Web site that is guaranteed to give you access to each of your three credit reports (from Equifax, Experian, and TransUnion) once a year for free. You will be charged extra to check your credit score. To request your free credit report, you must go to www.annualcreditreport.com, call 877-322-8228, or order a report by mail. Beware of imposter sites that claim to offer “free credit

Factors that impact your credit score:

- Payment history
- Amount owed
- Length of credit history
- New credit
- Types of credit in use

reports” but will charge you for their services, such as credit monitoring.

- **www.optoutprescreen.com:** The consumer credit reporting companies allow consumers to choose to stop receiving credit card offers in the mail or via e-mail. “Opting out” can help reduce the risk of credit card fraud, because some identity thieves steal pre-approved offers to apply for and obtain credit in the victim’s name. To opt out of receiving these pre-approved offers, call **888-567-8688** or visit www.optoutprescreen.com.

Credit CARD Act

The Credit Card Accountability, Responsibility and Disclosure Act (Credit CARD Act) of 2009 prevents credit card companies from issuing credit cards to consumers under 21 years of age unless the consumer demonstrates the ability to pay or has a co-signer, such as a parent, guardian, or spouse. The law also bans interest rate increases within the first year after a consumer opens a new account, and it bans a practice called “universal default,” in which credit card companies could raise credit card interest rates if consumers were late on other payments, such as their cell phone bills, or utility bills.

Handling unauthorized charges

The Fair Credit Billing Act gives consumers the right to dispute unauthorized credit card charges of more than \$50 with their credit card provider. Because of this protection, it is often safer to pay with a credit card rather than a debit card. In order to dispute unauthorized charges on your credit card, you must send a letter to your credit provider (at the address given for “billing inquiries”) so that it reaches the creditor within 60 days after the first bill containing the error was mailed to you.

Credit card tips:

- Charge only what you can afford, and stay well below your credit limit. Most experts recommend that you do not charge more than 30 percent of your credit limit.
- Save all receipts and compare them with your credit card statements. If you find errors on your credit card statement, immediately contact your credit card company.
- Review your credit card statements regularly online. This will allow you to quickly identify improper charges.
- Exercise your right to opt out. You can opt out of pre-approved credit offers, and you can tell your credit card company not to share your personal information with companies affiliated with your creditors.
- Do not give your credit card number to anyone you do not know or trust.
- Shred unwanted credit card applications so no one else will apply in your name.
- Check each of your three credit reports for free once a year at www.annualcreditreport.com. You will have to pay extra if you want to check your credit score. Do not fall for other “free credit report” offers that automatically enroll you in a costly monthly plan.

Questions to Consider:

1. How can credit users establish good credit?
2. What is the difference between a credit report and a credit score?

IDENTITY THEFT

Identity theft occurs when someone fraudulently uses your personal identification information to obtain credit, take out a loan, open accounts, get identification, or pretend to be you in some other way. Identity theft is a serious crime that can cause severe damage to someone's financial well-being. It can take months as well as thousands of dollars to repair the damage done by an identity thief.

How identities are stolen

In this age of information, criminals can easily acquire personal information about others. Some criminals pick through trash to find discarded documents containing personal information in a practice known as "dumpster diving," or use randomly selected Social Security numbers. Dishonest restaurant servers may secretly record credit card information when they take consumers' credit cards away from the table.

Phishing

Identity thieves also use the Internet to obtain personal information. In a popular scam known as "phishing," identity thieves hunt for a consumer's personal information by sending an e-mail message designed to trick the consumer into revealing sensitive information, such as account numbers, passwords, and Social Security numbers. Usually, the message appears to be sent from a legitimate institution, such as a bank, an online payment service, or a government agency, such as the IRS. Often, the message asks the consumer to update, validate, or confirm account information by clicking on a link and/or submitting sensitive personal information. If consumers fall for the scam, the scam artist captures their personal information, which they may use to commit identity theft.

Vishing

Vishing is a scam that evolved out of phishing. A vishing scam may begin with a voicemail or phone call. Instead of asking the spam recipient to click on an e-mail link, a vishing message instructs the recipient to call a toll-free customer service number. Many legitimate financial institutions have customer service hotlines, so the message seems real. When the recipient calls the number, an automated system instructs the caller to enter account numbers or passwords, which will be recorded by the scammer and may be used to commit identity theft.

Security breaches

A security breach usually occurs when personal information is stolen from computers, back-up tapes, or patient records. If a consumer's information has been compromised in a security breach, it does not necessarily mean that his or her identity has been stolen. A security breach does, however, increase the potential that the consumer's personal information could be misused. Consumers usually can avoid becoming victims of identity theft if they take action immediately after they discover their information has been compromised. They should contact their banks, place an alert on their credit reports, and take steps to protect their identity.

Child identity theft

Children's identities are valuable to criminals. Their credit history is non-existent (a blank slate), and their Social Security numbers may not appear in any credit databases. As a result, criminals can use a child's untainted identity to open new accounts for cell phones, utilities, credit cards, and even mortgages.

Criminals may get away with using the child's identity for years, while a stolen adult identity typically is detected much sooner, because the adult is more likely to check his or her credit report, or notice

other red flags. When child identity theft occurs, the problem usually is not discovered until the child applies for college financial aid, a car loan, or employment.

To detect child identity theft, parents should attempt to obtain a credit report on the child's 16th birthday. If there is a credit report and it is full of errors, they should contact the credit reporting bureau(s) immediately to correct the errors (Equifax, Experian, and/or TransUnion).

How to protect your personal information

Keep documents such as bank statements and your Social Security card in a safe place (not in your wallet or purse). Shred any paperwork that contains account numbers or Social Security numbers before you discard it. Only provide personal information when you initiate the contact with a company or service. Insist that companies and organizations use other forms of identification instead of your Social Security number.

Make sure you have updated security software for your computer, and use complex passwords. A complex password is long and uses a variety of letters, numbers and symbols. Make your passwords as long and as complicated as possible, so they are difficult to break. Do not use the last four digits of your Social Security number, your mother's maiden name, your birthday, or consecutive numbers (such as 123) in your passwords.

Request a credit freeze (or "security freeze") on your credit report. This prohibits a credit reporting company from disclosing your credit file to many third parties without your consent. Placing a freeze on your credit report helps you control access to your file and would keep an imposter from opening an account in your name. You must contact all three credit reporting companies to request a freeze for each report. You may be charged up to \$5 per company to freeze or unfreeze your credit report.

Opt out of receiving pre-approved credit card offers. Opting out can help reduce the risk of credit card fraud, because some identity thieves steal pre-approved offers to apply for and obtain credit in the victim's name. To opt out, call **888-567-8688** or visit www.optoutprescreen.com.

Watch for signs of identity theft

Monitor your accounts. Thoroughly review your credit card statements, bank statements, and medical bills. Compare these with your own records to check for any unusual activity, such as an unexpected account statement or a purchase you don't remember making. Also pay attention if you do not receive a bill or statement on time; it is possible that an identity thief may have taken it. Check medical statements for accuracy.

Review your credit report. Remember that you can get a free credit report (not score) from each of the three credit reporting companies once a year at www.annualcreditreport.com. In practice, that means you can check your credit report three times a year (or once every four months) for free. You also can call **877-322-8228** or order your free report by mail.

What to do if your identity is stolen:

- File a police report and get a copy of the report to support your claims to credit reporting companies and creditors. Some creditors may request to have a copy of the police report for documentation.
- Close compromised accounts. Contact all banks, credit card companies, utilities, and any other service providers with which you have a financial account. Send them copies of the police report. Close any compromised accounts and open new ones with new account numbers and passwords.
- Place a fraud alert or a credit freeze on your credit reports. A fraud alert is free for victims of identity theft. Notify one of the three credit reporting companies (Equifax, Experian or TransUnion) to request the alert. The alert requires businesses to verify your identity before issuing credit to you. If you place a fraud alert with one credit reporting company, it must notify the other two reporting companies. On the other hand, to place a credit freeze on all three reports, you must contact each credit reporting company separately.
 - Equifax: 800-525-6285, www.equifax.com
 - Experian: 888-397-3742, www.experian.com
 - TransUnion: 800-680-7289, www.transunion.com

Questions to Consider:

1. What are some steps consumers should take to help prevent identity theft?
2. What are fraudulent identities used for?

REPAIRS AND SERVICES

Under Ohio's Repairs and Services Rule, consumers have the right to a verbal or written estimate for repairs or services that will cost more than \$25. The estimate must include: a description of the work that will be done; the anticipated date of completion; and the expected cost, if the consumer requests this information.

In general, if a repair will cost more than 10% of the original estimate, the business must get the consumer's authorization for the additional cost.

Information concerning other related charges, such as pickup and delivery or diagnostic work, also should be made available to the consumer.

If the consumer requests it, the business must provide an itemized list of the tasks it performed. Additionally, the business must return all replaced parts, unless it has an agreement with the consumer to reuse or rebuild them, or to send them to the manufacturer according to the warranty.



Tips for choosing a repair shop:

- Ask family and friends for recommendations.
- Check a shop's reputation with the Attorney General's Office and the Better Business Bureau. For vehicle repairs, verify that the repair shop is licensed with the Ohio Board of Motor Vehicle Collision Repair.
- Get at least three estimates from different repair shops. Compare prices, service, and guarantees before you decide which repair shop to use.
- Make sure the shop will honor any warranties, and find out what the warranty covers.
- Ask if the facility uses new, reconditioned, remanufactured, rebuilt, or salvaged parts.
- Ask about guarantees up front, and get all guarantees in writing. If a promise is not put in writing, it is not guaranteed.
- Save copies of estimates, invoices (bills), work orders, receipts, guarantees, and warranties.

Questions to Consider:

1. Under what conditions are consumers entitled to an estimate?
2. What information should consumers gather from a repair shop before work begins?

SHOPPING RIGHTS AND TIPS

Whether you are reading store advertisements in a newspaper, shopping online, or making a purchase at a retail store, you are protected by Ohio's consumer laws. The following is an overview of shopping protections provided by Ohio consumer law.

Failure to deliver

Ohio's Consumer Sales Practices Act says that it is deceptive for a seller to accept money from a consumer and allow eight weeks to pass without: (1) delivering the goods or services; (2) providing a full refund; (3) telling the consumer about the delay and offering to send a refund within two weeks; or (4) substituting similar goods or services of equal or greater value.

Gift cards

In general, most gift cards must not expire within five years of the date the card was issued. Certain exceptions apply. Warning: if a company shuts down before you redeem your gift card, you may not be able to get your money back. Only purchase gift cards from reliable companies that you trust, and try to redeem your gift cards as soon as possible.



Online shopping

Consumer protection laws also apply to Internet purchases and advertisements. Consumers can take extra precautions by doing business only with legitimate companies and sellers and using a secure Internet connection when shopping online (check for the "s" in https, which indicates the connection is secure). Privacy policies, refund policies, and shipping and handling fees may vary depending on the seller. Make sure you approve of these policies and fees before you make a purchase. In many cases, it is safer to use a credit card to make purchases online. Credit cards provide protections, such as the right to dispute unauthorized charges, which debit cards may not provide.

Refund policies

Stores are not required to provide refunds or to have any specific type of return policy under Ohio law. However, if a store has a refund policy, it must be clearly and conspicuously posted. Look for these postings on signs in the stores, on the backs of receipts, and on an Internet seller's Web site. It is not acceptable for a refund policy to be printed only on the receipt, because the consumer sees the receipt *after* the purchase has been made. Always ask about refund policies up front.

Rent-to-own

Rent-to-own companies allow consumers to rent items like furniture, TVs, and other appliances. Buyers make low upfront payments, acquire the items immediately and make regular payments for a certain period of time, such as one or two years. Eventually, if the consumer makes all the payments, he or she will own the item. While the payments in a rent-to-own transaction may seem low, rent-to-own is not the most cost-effective way to buy items. Consumers can end up paying more than twice the cash value of the goods. Before you enter into a rent-to-own transaction, calculate the total cost,

not just the periodic payments. If you can, try to save enough money to buy the item outright. In some cases, if a consumer misses just one payment, the rent-to-own company will repossess the item, and the consumer will lose any payments he or she has made.

Restocking fees

Some sellers charge consumers restocking fees for returning certain items, commonly electronics or special-order products. A restocking fee may limit a consumer's ability to receive a full refund for a returned item. Sellers may charge restocking fees, but they should clearly and conspicuously disclose them up front. Before you buy a product, find out about the return policy and ask about restocking fees.

Overview of shopping rights:

- In general, sellers must deliver purchased goods or services within eight weeks.
- Most gift cards cannot expire within five years of their issue date.
- Consumers have protections when they shop online, but they should take special precautions to protect their personal information.
- Rent-to-own transactions can be much more expensive than buying a product outright.

Questions to Consider:

1. How can you shop online with less risk?
2. What fees and policies must a seller disclose?

STUDENT LOANS

Student loans help consumers pay for tuition, room and board, books, and other costs associated with attending college or graduate school. There are two basic categories of student loans:

- **Federal loans:** Federal loans are subject to oversight and regulation by the federal government. Direct Loans from the U.S. Department of Education, Federal Family Education Loans (FFEL), and Federal Perkins Loans are all federal loans.
- **Private loans:** Private loans are sometimes referred to as “alternative loans” and are offered by private lenders. They do not include the benefits and protections available with federal loans. Private loans tend to have higher fees and interest rates than federal government loans, while federal loans offer more opportunities for cancellation and loan forgiveness.

While student loans are an important tool to making college accessible, they can be very expensive and difficult to pay off after graduation. According to USPIRG, a public interest advocate, graduates who borrow generally carry over \$23,000 of debt on average. Carrying large amounts of debt can hinder a graduate’s ability to buy a car or a house, or even to take a low-paying but otherwise fulfilling job.

If you take out student loans to pay for your college education, be very careful with how you spend your student loan checks. Use them only to pay for your education, not to buy new clothes or non-necessities. Try to repay your student loans as soon as possible to limit the interest you must pay. Be especially careful if you take out private loans, which often have higher interest rates than federal loans.

Certain loan forgiveness options may be available to help students pay off their federal student loan debt. Generally, these options do not apply to private loans.

Federal Student Aid

Before you take out a loan, apply for federal student aid. Federal Student Aid, an office of the U.S. Department of Education, “ensures that all eligible individuals can benefit from federally funded financial assistance for education beyond high school.” Federal Student Aid provides money for college to eligible students and families. Programs include federal grants, loans and work-study programs. Students can submit a free application for federal student aid at www.fafsa.ed.gov. Beware of private companies that charge to apply.

Questions to Consider:

1. What are the differences between federal and private loans?
2. Where can you find more information about federal student aid?

WARRANTIES AND SERVICE CONTRACTS

Warranties are guarantees by manufacturers or sellers that their goods or services have the qualities they represent them to have. In other words, a warranty is a company's promise to stand behind its product.

The federal Magnuson-Moss Warranty Act establishes requirements for entities that provide warranties. Under the law, if a manufacturer offers a warranty, the warranty must be available for the consumer to read before the purchase is made.

Warranties vary in length and coverage. A new car warranty, for example, may last 3 years or 36,000 miles. The warranty may state that the car's manufacturer (the company that produced the car) will fix or pay for certain problems that occur during that period.

A product purchased "as is," has no warranty. For example, if you buy a used car "as is", the seller is not responsible for any repairs. You will have to pay for repairs yourself.

How to evaluate and compare warranties

- Find out how long the warranty lasts. Determine when coverage begins and ends. Also look for any conditions that would void (cancel) coverage. Some warranties provide coverage only if you use the product as directed.
- Determine who will perform services under the warranty. Consider where you will need to take the product for repairs and whether the warranty covers shipping costs. Determine if you need to keep the original package for the warranty to be honored.
- Find out the company's responsibilities under the warranty. Determine if it will repair the item, replace it or refund the purchase price.
- Figure out exactly what is covered. Check for exclusions in coverage. Some warranties require the consumer to pay for the costs of labor.
- Get all warranties in writing. If a salesperson makes verbal promises about a warranty, make sure those promises are put in a written contract. Otherwise, they are not guaranteed.

Extended warranties

An extended warranty lengthens the coverage provided by the regular warranty, usually by two or three years. For a new car, an extended warranty often costs several hundred dollars or more. Although the salesperson may assure you that an extended warranty is a good investment, many consumers find the added protection unnecessary and ultimately useless. For used cars, an "extended warranty" usually comes from a separate company from the car manufacturer and likely won't offer the same protection as a warranty from the car manufacturer. If the warranty company goes out of business, the warranty is worthless.

Service contracts

Service contracts often are confused with warranties, but a service contract is not a warranty as defined by federal law. While warranties are designed to provide coverage for manufacturing defects, service contracts provide certain maintenance and upkeep. Service contracts may be offered by the retailer, the manufacturer or a third party. As with extended warranties, consumers who buy service contracts may find the extra protection unnecessary.

Tips for extended warranties and service contracts:

- Check the warranty provider. Make sure the company that backs the extended warranty or service contract has a good reputation. (Check complaints filed against a company with the Ohio Attorney General's Office and the Better Business Bureau.) Be wary of a warranty or service contract that comes from a different company than the company that manufactured the product. Consumers have little recourse if the company providing coverage goes out of business and cannot repay claims. Ask if an insurance company underwrites the service contract or warranty.
- Shop around and determine what the contract covers. Prices, terms and conditions vary depending on the warranty. Comparison shop and negotiate for the best deal. Make sure you understand how long coverage lasts, which repairs are covered and which repairs you would have to cover yourself. If something is not specifically listed as covered, it is best to assume that it is not covered. Read carefully to determine if the contract requires you to take certain actions, such as notifying the company within a certain timeframe, to ensure the coverage is not cancelled.
- Avoid duplicate coverage. Don't buy extra protection for repairs already covered by the regular warranty. Check when coverage starts and ends. In some contracts, coverage begins at the point of sale when the warranty is still in effect. In others, coverage starts after the warranty expires.
- Don't buy coverage for items that are cheap to replace. If the product is unlikely to need servicing, or if the repair costs are low, a service contract or extended warranty may cost more than it is worth.
- Watch out for additional costs. You may be charged cancellation or transfer fees if you cancel coverage or sell the item. If you buy a service contract or extended warranty for a car, it may not cover certain expenses, such as towing or rental car costs.

Bottom line: You may not need an extended warranty or service contract for a reliable product.

Questions to Consider:

1. What is the difference between a warranty and a service contract?
2. What should consumers consider first when purchasing a warranty?

SCAMS TARGETING STUDENTS

For some scam artists and unscrupulous companies, students are ripe targets. Students often have less financial experience than other consumers, and with limited budgets, they usually are eager to get a good deal. Unfortunately for students, if an offer seems too good to be true, it probably is.

Fake check scams

Some scammers send realistic checks or money orders that turn out to be fake. In these scams, a con artist usually sends a consumer a check or money order and tells the consumer to deposit the check. Once the check is deposited (even bank tellers may not know the check is fake), the con artist asks the consumer to send money back via wire transfer, keeping a portion as a “bonus.” The consumer sends the money, but days later, the check is returned as counterfeit and consumers lose any money they sent.

In some variations of the scam, consumers are notified that they have won a foreign lottery and are asked to cash a check and send money to cover taxes or fees. In another variation, they are told they have been overpaid for an item they bought online and should return the extra money by wire transfer. Some scammers send e-mails asking for a favor: cash their check and wire transfer them the money. No matter what the claim, never wire transfer money to a stranger. You will lose any money you send.

Job opportunity scams

Job opportunity scams targeting students often involve promises that they can make thousands of dollars by working a great summer job or by running their own business. In reality, these scams may cost students thousands of dollars, usually because students must purchase expensive marketing materials and training in order to take advantage of the “job opportunity.”

In many job opportunity scams, fraudulent companies target students through direct mail, e-mail, phone calls, or even home visits. They guarantee that students will gain professional experience and earn good money. Despite appealing sales pitches, these “job opportunities” are designed to steal students’ money. Students are sometimes asked to pay upfront for exclusive information, special training sessions, or promotional materials.

Personal information ploys

What appears to be a simple contest or an innocent Internet profile may be used to abuse students’ personal information. Companies and scam artists alike may use information that students submit over the Internet to develop profiles of their interests and habits. In the wrong hands, these profiles can be used to manipulate and defraud young consumers. Plus, some contests and prizes are actually scams used to collect personal information.

Scholarship scams

Scholarship scam artists often ask for advance fees, large down payments, and money orders in exchange for helping students get college scholarships. Most legitimate scholarship services do not charge fees to students. Furthermore, if a caller asks to speak only to a high school student instead of a parent, the call may be fraudulent. Scammers recognize that most high school students have less financial experience than their parents.

Scholarship seminars or workshops may advertise that they provide “all you need to know” about funding higher education. Seminars that end with sales pitches, however, signal fraud. At some fraudulent workshops, representatives hold one-on-one meetings with students. Representatives use

high-pressure tactics, such as “buy now” or “don’t miss out,” to convince students to pay for an offer. Legitimate services don't use such coercive tactics.

Spring break scams

Students on a tight budget often are targets of shady travel agents who lure them in with phony promises of “free” trips, “bargain” airfares, and “special” accommodations. The supposedly free or bargain trips may require students to purchase a second ticket at an inflated price, or to listen to a sales pitch. Or, the deal may be filled with so many conditions, restrictions, hidden costs, and time-consuming obligations that students on a tight travel schedule are unable to make the trip. Students planning a trip should get all information in writing and avoid giving out personal or financial information to companies.

Top signs of a scam:

- Someone you don't know requests your personal information.
- You win a “contest” that you never entered.
- You are pressured to “act now!”
- You must pay to receive a “prize.”
- Someone requests a large down payment.
- You are asked to send money via wire transfer.
- You are overpaid for an item you sell online.
- The company refuses to provide written information.
- The company has no physical address, only a P.O. Box.
- The company insists you pay in cash.

Questions to Consider:

1. What are some signs of a scam?
2. Why are students targeted by scammers?

HOW TO RESOLVE CONSUMER PROBLEMS

At one time or another, most everyone encounters a problem with a product or service they buy. If and when this happens to you, do not just accept the situation; take action.

Contact the business

Your first step is to make the business aware of the problem, either by calling and/or writing a letter to the business. Usually the best approach is to be polite and clear and to give the business a fair chance to resolve the issue.

Keep call logs

Call the business and explain your complaint. If you cannot resolve the problem with the first representative who takes your call, ask to speak to a manager or supervisor. After that, if you still cannot resolve the problem, contact the business's headquarters or the manufacturer. (Contact information for the manufacturer often is listed on the package labeling or on the company's Web site.) Keep records of all your conversations, including the names of representatives you speak to as well as the date, time, and outcome of each conversation.

Write a letter

Send a letter explaining your complaint, the facts of the situation, the resolution you desire, and a deadline for the resolution. For best results, letters should be sent by certified mail with a return receipt requested. This gives you proof that the business received your letter. In your letter, include copies of documents related to your complaint, such as receipts, repair orders, warranties, cancelled checks, contracts, and any previous related correspondence with the business. *Do not send originals.* Always keep copies of all correspondence to and from the business, preferably in chronological order.

Contact the Attorney General's Office

If you believe you have been treated unfairly and you cannot resolve the problem directly with the business, file a complaint with the Ohio Attorney General's Office. The Ohio Attorney General's Office provides a free, informal dispute resolution process to help resolve complaints between consumers and businesses.

Often the easiest way to file a complaint is online at www.OhioAttorneyGeneral.gov. You also can call **800-282-0515** or mail a written complaint form to the Consumer Protection Section, 30 E. Broad St. 14th Fl., Columbus OH 43215. You can download a hard-copy complaint form online or call to request one.

Your complaint should:

- Identify the business. Include any contact information, such as the name, address, phone number, and e-mail address of the business with which you have a problem.
- Describe the problem. Explain in detail the problem you have with the product or service you purchased. Explain what you have already done to resolve the problem, including whether you have hired an attorney.
- Include photocopies of relevant documents. Always include photocopies or electronic files of documents relevant to your complaint. *Do not send originals.*

Important notes:

- Any information sent to the Ohio Attorney General's Office will be considered a public record, except protected personal financial information, such as credit card numbers and Social Security numbers. Remove (black out) any personal financial information before you submit your complaint.
- To help resolve the problem, your complaint and the information you provide in it will be shared with the business against which you are complaining.
- Send only copies, not originals. Information sent to the Attorney General's Office will be scanned electronically and hard copies will be destroyed.
- Even if you have not lost any money but suspect a scam or unfair business practice, file a complaint. Consumer complaints play a critical role in keeping Ohio's marketplace safe. They help the Attorney General understand what issues are affecting consumers on a daily basis and may even serve as the foundation for a future lawsuit against a non-complying business. Plus, consumer complaints help educate Ohioans about potential scams.

Questions to Consider:

1. Who should consumers contact first to resolve complaints?
2. Where else can consumers go to file complaints?

CONSUMER RESOURCES

Annual Credit Report

Check each of your three credit reports for free once a year from this central Web site. You will have to pay extra to check your credit score.

www.annualcreditreport.com

877-322-8228

Attorney General's Office

File a consumer complaint, report a scam or get information on your rights under Ohio law.

www.OhioAttorneyGeneral.gov

800-282-0515

Better Business Bureau (BBB)

Check the BBB's Reliability Reports to help evaluate companies and charities.

www.bbb.org

Direct Marketing Association

Use the association's mail preference system to reduce the amount of mail you receive from national catalogue and marketing companies.

www.dmchoice.org

Do Not Call Registry

Put your phone number on this national registry to reduce the number of telemarketing calls you receive.

www.donotcall.gov

888-382-1222

Federal Student Aid

Federal student aid provides money for college to eligible students and families.

www.fafsa.ed.gov

800-4-FED-AID (800-433-3243)

Federal Trade Commission

This federal agency handles many consumer protection issues and produces educational materials on a wide variety of consumer topics.

www.ftc.gov

877-FTC-HELP (877-928-4957)

Ohio Board of Motor Vehicle Collision Repair

Check to make sure a collision repair shop is licensed.

www.collisionboard.ohio.gov

614-995-0714

Opt Out Prescreen

Limit the number of pre-approved credit card offers you receive.

www.optoutprescreen.com

888-567-8688

OHIO CONSUMER PROTECTION LAWS

The Ohio Attorney General has enforcement authority over more than 25 consumer protection laws, which are listed below. Please note that additional laws may apply. The Ohio Revised Code (R.C.) and the Ohio Administrative Code (O.A.C.) are available at <http://codes.ohio.gov>. You also can find these laws at www.OhioAttorneyGeneral.gov (laws protecting consumers).

- Anti-Pyramid Sales Act (starting at [R.C. 1333.91](#))
- Business Opportunity Purchaser's Protection Act (starting at [R.C. 1334.01](#))
- Certificate of Motor Vehicle Title Act (starting at [R.C. 4505.181](#))
- Condominium Sales Act (starting at [R.C. 5311.25](#))
- Consumer Sales Practices Act (starting at [R.C. 1345.01](#)) and Substantive Rules (starting at [O.A.C. 109:4-3-01](#))
- Credit Card Recording Act (starting at [R.C. 1349.17](#))
- Credit Card Truncation Act ([R.C. 1349.18](#))
- Credit Freeze Act (starting at [R.C. 1349.52](#))
- Credit Services Organization Act (starting at [R.C. 4712.01](#))
- Debt Adjusters Act (starting at [R.C. 4710.01](#))
- Defective Assistive Devices Act (starting at [R.C. 1345.94](#)) (definitions, [R.C. 1345.90](#))
- Gift Card Act ([R.C. 1349.61](#))
- Hearing Aid Returns Act ([R.C. 1345.31](#)) (definitions, [R.C. 1345.30](#))
- Homebuyer's Protection Act, also known as the Predatory Lending Law and the Mortgage Brokers Act (starting at [R.C. 1322.01](#))
- Home Solicitation Sales Act (starting at [R.C. 1345.21](#))
- Lemon Law (Nonconforming New Motor Vehicle Law) (starting at [R.C. 1345.71](#))
- Motor Vehicle Collision Repair Operators Act (starting at [R.C. 4775.02](#))
- Odometer Rollback and Disclosure Act (starting at [R.C. 4549.41](#))
- Prepaid Entertainment Contracts Act (starting at [R.C. 1345.41](#))
- Public Utilities Commission Act ([R.C. 4905.72](#))
- Retail Installment Sales / Layaway Arrangements Act (starting at [R.C. 1317.01](#))
- Security Breach Notification Act ([R.C. 1349.19](#))
- Short-Term Lender Law, also known as the Payday Lending Law ([R.C. 1321.35](#))
- Telemarketing Act ([R.C. 109.87](#))
- Telephone Solicitation Sales Act (starting at [R.C. 4719.01](#))
- Title Defect Rescission Act ([R.C. 4505.181](#))
- Title Insurance Act (starting at [R.C. 3953.35](#))

Ohio Attorney General's Office, Consumer Protection Section, 2011

The mission of the Ohio Attorney General's Consumer Protection Section is to protect Ohio's marketplace by enforcing consumer laws, offering complaint dispute resolution, and educating consumers and businesses.

This guide is intended to be used for educational purposes only. The Ohio Attorney General's Office may not provide legal advice to individual consumers or businesses. For legal advice, please consult an attorney.

ACTIVITIES

Activity 1: Handling Advertisements (group activity)

Divide students into small groups and pass out poster paper and markers. Give the students five to ten minutes to list the kinds of advertisements or offers they might receive in the mail, see online or watch on TV. Discuss how these offers could lead to potential consumer problems. Provide examples, such as an Internet ad offering ten ring tones for \$10 or a credit card application. After the students have written their lists, have each group post their list on walls in the classroom. Ask students to compare their list with the other lists circling common answers with a marker. Have students discuss how they can avoid consumer problems related to advertisements.

Activity 2: Handling Advertisements II (extension activity)

Ask students to bring in three actual advertisements similar to the ones they discussed in class. Have students discuss whether the ads comply with Ohio consumer law and present ways to avoid consumer problems. Also explain that they can report deceptive advertising to the Attorney General's Office by filing a complaint with the office.

Activity 3: Credit Card Advertisements

Have students collect and bring in at least three different credit card offers (either offers they receive in the mail or find online). Ask them to read the terms and conditions to compare the interest rates and fees. Based on the terms and conditions in the offers, have them determine how much it would cost for a \$200 cash advance (assuming interest begins accumulating immediately).

Activity 4: Complaint Letters (group activity)

Divide the class into small groups and ask them to write sample complaint letters. Ask students to read the letters out loud. Students should list what makes an effective complaint letter.

Activity 5: Contract Review

Collect, or request that students collect and bring to class, two consumer contracts (either blank contracts from stores or copies of actual completed contracts with personal information removed). Ask students to compare the contracts and explain which details are particularly important. Emphasize the importance of reading the fine print to look for the total price, extra fees, cancellation policies and verbal promises (to ensure they are put in writing).

Activity 6: Warranties (group activity)

Collect, or request that students collect and bring to class, two warranties. Suggest that students may find companies' warranties online. Divide the students into small groups giving each group three warranties to evaluate. Have students evaluate and compare each warranty, using the tips and information from the warranty section of this guide. Ask each group to list the pros and cons of each warranty. Then have them choose the best warranty explaining why they feel it is the best.

Activity 7: Refund Policies and Restocking Fees (homework and group activity)

Give an assignment instructing students to go to at least three stores with an adult to find out the store's refund policy and whether it charges restocking fees. Direct the students to write the name of each store, where the refund policy was posted (if it was posted), the terms of the policy, and the amount of the restocking fee, if applicable.

When the assignment is complete, divide students into pairs. Students will share the results of their research discussing what each discovered. To conclude the lesson, choose students to share their findings in a classroom discussion.

Activity 8: Choosing a Repair Shop (homework and group activity)

Have students find a reputable local repair shop and write a report explaining why they believe that shop is reputable. Remind students to follow the suggestions from the Repairs and Services section. Encourage them to ask their family members and neighbors for suggestions, and to call the Attorney General's Office and the Better Business Bureau to check companies' reputations. Students should include in their written reports the name and address of the company they chose and an explanation of why they chose that particular repair shop. Selected repair shops may offer auto repair, watch repair, lawn mower repair, or another type of repair.

Activity 9: Identity Theft Scenarios (homework)

For homework, have students select a story about identity theft in the newspaper or online, summarize it, and report on the issues and challenges it presents. They should explain what actions can be taken to avoid identity theft.

Activity 10: Evaluating the Cost of Rent-to-Own Transactions (homework)

Have students calculate the total cost of a rent-to-own transaction and compare it to the cost of purchasing the item outright.

For additional information, please visit www.OhioAttorneyGeneral.gov.