

YOUR MONEY

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AAA Cook County Consolidation

7366 N. Lincoln Avenue
Lincolnwood, IL 60712

Ph: 800-865-HELP
847-933-8800

Fx: 847-933-8812

www.cookconsolidation.org

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Buying, Giving, and Using Gift Cards



Shopping for gifts can be a real dilemma. Just what do you get the person who has everything, your finicky Aunt Mary, your co-worker, or your child's babysitter? Gift cards may be the answer: one size fits all, and the recipients can get exactly what they want. But before you buy a

wallet full of gift cards from your favorite retailer or your local financial institution, the Federal Trade Commission (FTC) wants you to know that some strings may be attached. For example, some cards can be used only at the retailer's store locations; others can be used at any retailer and online. Some have expiration dates. Some let the user "reload" or add money to the balance on the card. And some have fees, like activation fees, transaction fees, monthly maintenance fees, inactivity or non-use fees, replacement fees for lost or stolen cards or balance inquiry fees.

Still, consumers reportedly spent a whopping \$18 billion on gift cards during the 2005 holiday season.

Tips for buying gift cards

Store cards sold by retailers usually are issued free of charge. But banks often charge a fee to buy their cards. Some bank gift cards come with a Personal Identification Number (PIN) that lets the user withdraw cash from an ATM. Other things you should know before you buy a gift card:

- Read the fine print before you buy. If you don't like the terms and conditions, buy elsewhere. When you're buying a card, ask about expiration dates and fees. This information may appear on the card itself, on the accompanying sleeve or envelope, or on the issuer's website. If you don't see it, ask. Make sure that whatever the salesperson tells you also is in writing. If the seller is reluctant to put the terms or conditions in writing — or says it isn't necessary — shop elsewhere. If the information is separate from the gift card, give it to the recipient to help protect the value of the card. It's also a good idea to give the recipient the original receipt to verify the card's purchase in case it is lost or stolen.
- Consider purchase fees: Is there a fee to buy the card, or activate it? If you buy the card online or on the phone, is there a fee for shipping and handling? Does expedited delivery cost more?
- Consider fees for the recipient. It might be embarrassing to give a \$50 gift card to someone if much of the amount gets gobbled up in fees.
- Check on purchase exceptions. For example, can the recipient use a store-specific gift card at either the physical store or at the store's website? Can an "all purpose" card really be used to buy groceries or gasoline?

Tips for using gift cards

If you've received a gift card, it pays to be a savvy consumer.

- Read the terms and conditions as soon as you get the card, and check for an expiration date. If you didn't get the card's terms and conditions, the original purchase receipt, or the card's ID number, ask for them from the person who gave you the card, and then keep them in a safe place.
- Treat your card like cash. If your card is lost or stolen, report it to the issuer immediately. You may be out the entire amount on the card. Some issuers won't replace the cards, but others will if you pay a fee. And if they do charge for replacement cards, you'll most likely need to document the purchase and provide the ID number. Most issuers have toll-free numbers to report lost or stolen cards.
- If your card expires before you've had a chance to use it or exhaust its value, contact the issuer. They may extend the date, although they may charge a fee to do that.

Problems and Complaints

If you have a problem with a gift card, the first step is to contact the store or financial institution that issued the card. If you can't resolve the problem at that level, you may want to file a complaint with the appropriate authorities:

For cards issued by retailers: Contact the Federal Trade Commission at ftc.gov or call toll-free: 1-877-FTC-HELP. You also may file a complaint with your state Attorney General (for a list of state offices, visit www.naag.org)

For cards issued by national banks: Contact the Comptroller of the Currency's (OCC) Customer Assistance Group by calling 800-613-6743 or by sending an e-mail to: customer.assistance@occ.treas.gov. The OCC charters, regulates, and supervises national banks, some of which issue gift cards.



Want a Free Annual Credit Report? The Only Official Website is: www.annualcreditreport.com

The Fair Credit Reporting Act requires each of the nationwide consumer reporting companies – Equifax, Experian, and TransUnion – to provide you with a free copy of your credit report, at your request, once every 12 months. The three companies have set up one central website, toll-free telephone number, and mailing address through which you can order your free credit report. The Federal Trade Commission (FTC), the nation's consumer protection agency, wants you to know that, if you want to order your free annual credit report online, there is only one authorized website: annualcreditreport.com.

Many other websites claim to offer "free credit reports," "free credit scores," or "free credit monitoring." But, be careful. These sites are not part of the official annual free credit report program. And in some cases, the "free" product comes with strings attached. For example, some sites sign you up for a supposedly "free" service that converts to one you have to pay for after a trial period ends. If you don't cancel during the trial period, you may be agreeing to let the company start charging fees to your credit card.

These sites often look like the official site at annualcreditreport.com. Some use terms like "free report" in their names; others have website names that purposely misspell annualcreditreport.com in the hope that you will mistype the name of the official site. Some of these "imposter" sites direct you to other sites that try to sell you something or collect your personal information. If you want to order your free annual credit report online, carefully type in the name: annualcreditreport.com, or go to the FTC's website which has a link to it. Once you have filled out certain information at annualcreditreport.com, you will be directed to individual websites operated by the three nationwide consumer reporting companies. You may get offers to buy additional products or services while on the companies' websites, such as credit scores or credit monitoring products, but you are not required to make a purchase to receive your free annual credit reports.

If you get an email or see a pop-up ad claiming it's from annualcreditreport.com or any of the three nationwide consumer reporting companies, do not reply or click on any link in the message – it's probably a scam. annualcreditreport.com will NEVER send you an email solicitation for your free annual credit report, use pop-up ads, or call you to ask for personal information. Forward any email that claims to be from annualcreditreport.com or any of three consumer reporting companies to the FTC's database of deceptive spam at spam@uce.gov.

To order your report at annualcreditreport.com, you must provide your name, address, Social Security number, and date of birth. If you have moved in the last two years, you may have to give your previous address. To maintain the security of your file, each nationwide consumer reporting company also may ask you for information that only you would know, like the amount of your monthly mortgage payment. Each company may ask you for different information. That's because the information each company has in your file may come from different sources.

You also can order your free report by calling toll-free, 1-877-322-8228, or by mailing a completed [Annual Credit Report Request Form](#) to: Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA 30348-5281. Do not contact the three nationwide consumer reporting companies directly. They only provide free annual credit reports through the website, phone number, and address above.