

CONSUMER PROTECTION SECTION

**OHIO
CONSUMER
LAWS**



MARC DANN
ATTORNEY GENERAL

STATE OF OHIO

THE CONSUMER SALES PRACTICES ACT

As the cornerstone of Ohio's consumer protection laws, the Consumer Sales Practices Act prohibits deceptive, unfair, and unconscionable sales practices in consumer transactions.

WHAT ARE DECEPTIVE SALES PRACTICES?

- Falsely representing the qualities, uses, or characteristics of a product or service.
- Indicating that a price advantage exists when it does not.
- Failing to honor a guarantee or warranty.
- Indicating a replacement or repair is needed when it is not.

WHAT ARE UNCONSCIONABLE SALES PRACTICES?

- Taking advantage of a person's illiteracy, handicap, or inability to understand the terms of a sale.
- Making misleading statements that consumers are likely to rely on.
- Selling goods or services when the supplier knows the consumer can't afford them.
- Selling goods or services to a consumer who is unable to receive substantial benefit from the purchase.

AUTOMOBILES

Automobile complaints fall within the top five consumer complaints received each year by the Attorney General's Office. Concerns range from questionable sales practices to unauthorized or unneeded repairs. When buying an automobile, the best advice is to shop around for the best car, the best price, the best warranty, and the best financing. Do your homework by reading consumer publications and evaluating your planned purchase with someone you trust. In addition, be sure to read and understand the sales contract and written warranty *before* you sign.



One of the best ways to protect your car investment is to educate yourself on your rights as a consumer. Attorney General Dann's Office has pamphlets about:

- Buying a new or used car and how to protect your investment.
- Ohio's lemon law and your rights when you buy a new car with defects that have not been repaired after a reasonable opportunity.

- Maintenance tips and steps to be taken when you need to take your car for repairs and services.

These free pamphlets are available through the Attorney General's Office and on our web site at

www.ag.state.oh.us

GET-RICH-QUICK SCHEMES

Don't fall for get-rich-quick promises by investing your hard-earned money in pyramid schemes that don't work and are against the law.

Pyramid sales schemes operate like giant chain letters. Each new participant pays a fee to join the operation and recruits new investors in order to profit from their new recruits' fees. The new investors then must recruit other people in order to profit. And the pattern continues.

Chain letters and pyramid schemes are illegal. Although there may be some profit for the handful of people who join them at the beginning, they quickly grind to a halt. The remaining investors inevitably lose all their money.

Another popular get-rich-quick scheme is the business opportunity

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venture, which requires a large initial down payment in exchange for help starting a new business. The fraudulent operator may promise high profits in a relatively short period of time, promote products or services that have no ready market, and may sometimes disappear with the investor's money before providing any assistance. This is especially true for Internet-based ventures.

Before considering such an investment, obtain the disclosure statement required by Ohio law and the Attorney General's booklet on Ohio's Business Opportunity Purchaser's Protection Act. In addition, ask an attorney or accountant for advice. You have five business days from the date you sign a business opportunity agreement to cancel the transaction.

ADVERTISING

Under the Consumer Sales Practices Act, consumers are protected from deceptive advertising such as the selling of used items as "new," false price

comparisons, and misrepresentations about the quality or quantity of goods.

- It is illegal to bait you into the store with an advertisement and then try to switch you to a higher-priced product.
- If you respond to an ad and find the advertised goods are sold out, you have the right to a raincheck allowing you to buy the goods later at the sale price. You don't have this right if the ad mentions the number of goods left or if the store is selling seasonal or clearance merchandise and the ad clearly states that no rainchecks will be given.
- A raincheck must be honored within 60 days after it is issued. Once you are notified that the item is in stock, you have 14 days to redeem the raincheck. If the item is not restocked within 60 days, or at any time instead of a raincheck, the supplier may allow you to purchase similar merchandise at the same savings as the advertised goods.
- It's illegal to advertise a sale without listing any specific limitations, if they exist. For example, a store can't advertise that its shoes are on sale if only the children's shoes — and not the adults' shoes — are reduced. Delivery charges, restocking fees, or handling fees must also be disclosed.

DOOR-TO-DOOR SALES

When you buy something that costs \$25 or more from a door-to-door salesperson, or at a place that is not a company's regular place of business (like a fair booth or hotel meeting room), you have until midnight of the third business day after you signed the contract to change your mind and legally cancel your contract. The company must give you a "notice of cancellation" form along with a copy of your signed contract.

During this three-day "cooling off" period, the seller may not begin any service or sell any loan agreement you signed. If you decide to cancel, you must do so in writing. The company must then refund your payment within 10 business days. The company must also arrange to pick up any goods left at your house pursuant to the contract.

In the case of a bona fide emergency, such as your furnace going out in the middle of winter, the seller may begin work as soon as the contract is signed. However, you must first provide a statement, in your own words and handwriting, describing the situation that needs immediate attention. Don't be talked into writing such a statement unless you believe it is absolutely necessary.

SELF-IMPROVEMENT PROGRAMS

The emphasis on fitness and well-being in our society has caused a boom in self-improvement businesses. Under Ohio law, consumers who sign health club, dating service, weight loss, or dance lesson contracts have certain rights.



If you sign up for an open facility:

- You have three days after the first service is available under the contract to cancel and get your money back.
- Contracts are limited to three years in duration.
- If the business relocates 25 miles or more away from your home, or if you move 25 miles or more away from the facility, you are entitled to a proportional refund based on the time remaining on your contract. The only exception is if a similar facility within 25 miles of your home takes over the contract.

- If you properly cancel the contract, the business must make the refund within 10 business days of receiving your notice. If it does not make this refund, you can sue for twice the amount owed plus attorney's fees.
- If you become disabled and can no longer benefit from the pre-paid entertainment contract, you are entitled to a proportional refund based on the time remaining on your contract.

If you sign up for a facility that is not yet open:

- If the facility is not open for business, you have seven days following the first service after the contract is available to cancel. If you decide to cancel at this time, the company must refund everything except for an expense fee of up to \$10.
- If the business does not open within 180 days after you sign the contract, you are entitled to a refund of what you have already paid.
- The facility cannot require you to pay more than \$50 or 10 percent of the total contract — whichever amount is less — in advance of opening.

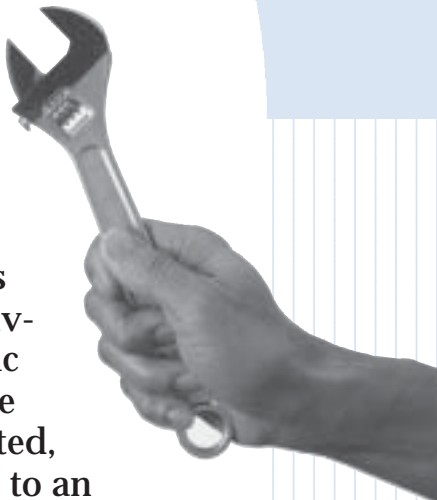
REPAIRS AND SERVICES

If the expected cost of a repair to your car, home appliance, or other major equipment is more than \$25, you have the right to a written or oral estimate outlining the work that needs to be done, the fees involved, and the anticipated completion date.

You must give your permission for the work to be completed if the repair cost will exceed the estimate by more than 10 percent.

You are also entitled to information concerning other related charges, such as pickup and delivery or diagnostic work. When the work is completed, you are entitled to an itemized list of the tasks performed, and you are entitled to have all replaced parts returned to you.

If the business fails to fulfill these responsibilities or if you have a complaint, you have the right to file a civil lawsuit against the shop for three times your actual damages, or \$200 — whichever amount is greater.



OHIO CONSUMER LAWS

Attorney General Dann's Office is authorized to enforce the following consumer laws and develop rules to protect Ohioans against unfair and deceptive business practices.

Consumer Sales Practices Act (1972) and Substantive Rules (1973) prohibits sellers from misrepresenting the nature of their business, products or services, price of their goods, or the terms of the transaction.

Home Solicitation Sales Act (1973) protects consumers from unethical door-to-door sales practices and allows consumers a three-day "cooling off" period during which the sale can be cancelled.

Anti-Pyramid Sales Law (1974) outlaws engaging in any sales scheme that requires payment of a fee for the right to recruit other investors.

Prepaid Entertainment Contract Act (1976) protects consumers who sign contracts with health spas, dance studios, diet centers, dating services, and martial arts schools by providing a three-day "cooling off" period during which the contract can be cancelled.

Odometer Rollback and Disclosure Act (1977) makes it illegal to alter or fail to disclose the mileage reading of a vehicle.

Business Opportunity Purchasers Protection Act (1979) requires the disclosure of certain information in the sale of business opportunity plans and provides other safeguards such as a required “cooling off” period for consumer investors.

Telephone Sales Solicitation Act (1996) requires certain telemarketing businesses operating inside and outside Ohio to register with the Ohio Attorney General. The telemarketing act also establishes criminal and civil penalties for violations of the law.

BE A WISE CONSUMER

- Read and understand all papers before you sign them, and get copies of all documents you sign. Never sign a contract with blank spaces, and make sure oral promises are written into the agreement.
- Read and understand any warranty or service contract. Know what is covered, what is excluded, how long each item is covered, who will honor claims, and what the owner must do to maintain coverage.

continued...

Be a Wise Consumer continued...

- Don't be fooled by high pressure sales pitches that try to get you to buy before you are ready or buy a product you don't want. Learn to say "NO."
- Remember the "cooling off" period for cancellations of contracts applies *only* to door-to-door sales (three days), prepaid entertainment agreements (three days), and business opportunity plans (five days). Always exercise your right to cancel by certified mail.
- If a deposit is required on your purchase, check the store's posted refund policy to see if cash refunds are available.
- Check the company's reputation before doing business. Be wary of companies unwilling to disclose a business address or telephone number.
- Be aware of any solicitation letter which appears to be awarding you a prize. If it sounds too good to be true, it probably is.
- Exercise your consumer rights. If you are not pleased with the way in which your transaction was handled, take your business elsewhere.

THE ATTORNEY GENERAL'S OFFICE CAN HELP YOU WITH CONSUMER PROBLEMS

If you have a problem with a product or service, notify the company that sold you the goods or services in writing and give them the first chance to remedy the situation. Very often, once the appropriate person is aware of the problem, it can be resolved satisfactorily.

As Ohio's chief law officer, Attorney General Dann is authorized to enforce the laws outlined in this brochure. By reviewing complaints as soon as they are received, his staff can initiate investigations and promptly pursue enforcement actions when necessary to protect your interests.

If you have a complaint that you can't resolve directly with the business involved, or if you have questions concerning your situation, contact:

Consumer Protection Section

30 E. Broad St., 14th Fl.
Columbus, OH 43215-3400

The Toll-Free Consumer Protection Line:

(800) 282-0515

**For TTY users, please call
995-7147 (Columbus) or
(888) 567-6881.**

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