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# *Consumer Protection*

**Oregon State University Extension Service**  
**Extension Circular 815**                      **September 1972**

In 1971 the Oregon Legislature passed the Consumer Protection Act and several other laws that provide protection for the consumer in the marketplace. The Oregon laws provide certain consumer rights, define deceptive trade practices, and provide legal defenses for the consumer. Consumers, though, have responsibilities to protect themselves in the marketplace and to understand what protection is provided under the laws.

### Consumer Rights

The act provides a "cooling-off period" of three business days on home solicitation sales over \$50. The seller must include a written notice to the buyer that he has three days within which to cancel the contract. Failure to notify the buyer of this right extends the period in which the deal can be canceled.

*Holder in due course.* A buyer has the right to assert defenses against both the seller of goods and the lender, when a purchase is made with credit and the lender is different from the seller. The law abolishes the holder-in-due-course concept, which in the past said the holder of the installment contract could disclaim responsibility for any defects in goods or failure of the seller to perform as promised.

The law also limits the availability of "deficiency judgments" in the repossession of goods. It provides that when a purchaser of consumer goods over time defaults on an installment contract, and the remaining unpaid balance is less than \$700, the seller (or other security interest holder) may sue to collect unpaid balance or may repossess the goods but may not do both.

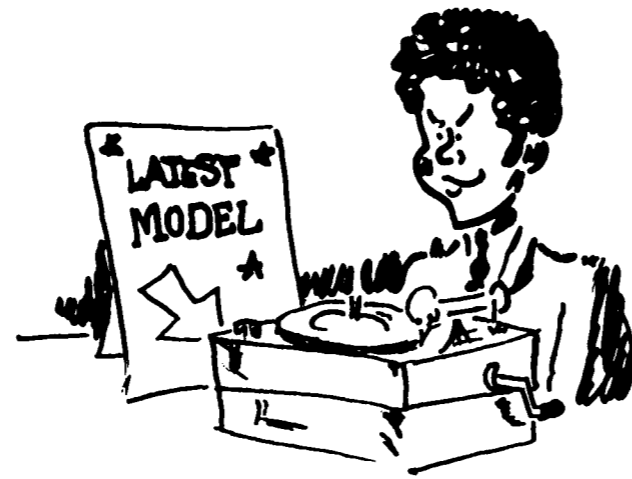
The right to know who is calling and the purpose of the call. The person who calls you on the telephone or knocks on your door has 30 seconds to identify himself, tell whom he represents, and state the purpose of his call.

### Deceptive Trade Practices Are Defined

The law says simply that a seller cannot:

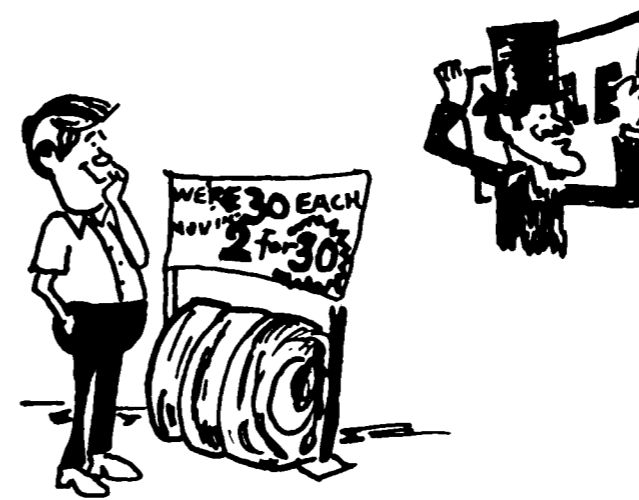
- lie about the qualities, characteristics, benefits, and the like of a product or service he is selling, misrepresent the product or service he is selling,
- or
- lie about the price of the product or service, misrepresent the price of the product or service,
- or
- use deceptive or misleading sales practices in selling.

### Have You Ever Had Any of These Experiences?



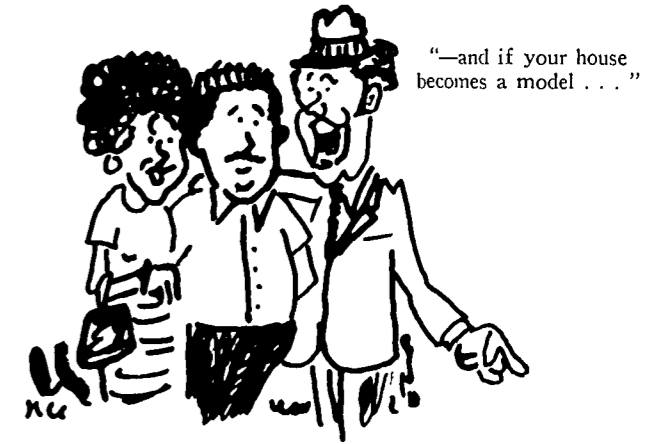
Have you ever bought something as new only to find later it was reconditioned?

*Oregon Law Says: It is illegal to represent that goods are new or original if they are deteriorated, altered, reconditioned, used, or secondhand.*



Did these tires really sell for \$30? Are they a real bargain?

*Oregon Law Says: It is illegal to make false or misleading representation of facts concerning reasons for or existence of price reductions.*



Have you ever been offered a special deal to use your home as a model and then later learned the same offer had been made to all your neighbors?

*Oregon Law Says: It is illegal to offer commissions for permitting property to be used for model or demonstration purposes.*



Have you ever been baited by a sign in the window and then switched to another item by the salesman?

*Oregon Law Says: It is illegal to advertise goods and services with intent not to sell as advertised. This is known as bait and switch.*



Have you found they were limited to "one per customer," a fact not disclosed in the advertisement?

*Oregon Law Says: It is illegal to advertise goods or services with an intent not to supply a reasonable amount for public demand.*



Have you ever been offered money or special deals for suggesting names of prospective buyers?

*Oregon Law Says: "Referral selling" is illegal under Oregon law. "Referral selling" is offering to pay for names of prospective purchasers, where payment is contingent upon some future event.*

## Consumer Defenses Under Law

The laws of Oregon provide legal remedies for consumers through:

The **Consumer Protection Division** of the Department of Justice. The division will investigate complaints of consumers concerning deceptive trade practices and will seek discontinuance of these practices by voluntary compliance or by obtaining injunctions through court procedure.

If you wish to make complaints, write to:

Consumer Protection Division  
1133 S. W. Market Street  
Portland, Oregon 97201

The **District Attorney** in each county also has the authority to enforce the deceptive trade practices laws. The remedies available to the district attorney are the same as those available to the Attorney General.

If you wish to call your district attorney, consult your telephone directory for information.

The **Consumer Services Division** in the Department of Commerce was set up to provide a clearinghouse for complaints and inquiries from consumers in the state. These complaints and inquiries will be forwarded to the proper state department for attention or investigated and replied to directly by the Consumer Services Division. To write to the division, address your letter to:

Open Door  
P.O. Box 444  
Salem, Oregon 97308

**Private Attorneys.** The Oregon law allows the consumer to sue if he has been deceived through use of deceptive trade practices as defined in Section 7 of HB 3037. It allows a minimum of \$200 damages or actual damages if they are greater than \$200. The court is also authorized to award attorney fees, if the suit is successful, and punitive damages if appropriate.

The **Small Claims Court** is also available for suits up to \$500. No lawyers are required and the filing costs are from \$1 to \$6, depending on the amount of the claim, plus mileage for service of the papers. The Small Claims Court is a special court created to keep costs low and save time in cases involving small claims. Contact the District Court for procedure for filing a small claim.

## As a Consumer You Have Certain Responsibilities in the Marketplace

Know the laws and protection provided. Before you buy, determine need for purchase, an important point for avoiding buyer's remorse later.

Compare price and quality before you buy, particularly from door-to-door salesmen.

Buy from a reliable business.

Be wary of bargains. Learn the vocabulary for the gimmicks. What do free, discount, wholesale, bait and switch mean to you as the consumer?

Don't expect something for nothing.

Take all contracts and signed orders seriously. You have made an agreement and can be held to the contract.

Get all estimates and guarantees in writing and be sure to read and understand them, preferably before you buy.

If you are dissatisfied, determine if your complaint is valid; then make your unhappiness known to the seller—at the highest level of management necessary.

Make complaints within a reasonable length of time.

Be prepared to show contracts, purchase orders, work orders, or other papers pertaining to the problem when you complain to a consumer agency—private or public.

Be patient. It may take time to resolve your problem.

Understand that in the final analysis, the responsibility for wise spending of your money is up to you.

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