



Ordering Merchandise by Mail

Each year, you, your friends, and other consumers purchase many items by mail order—including books, records, auto accessories, home furnishings, and novelty items. And each year, complaints about mail-order items represent the single largest category of consumer complaints.

Common problems are failure to deliver, long delays in delivery, failure to provide refunds for undeliverable goods, and failure to answer letters of complaint.

You should know your responsibilities and rights when ordering merchandise by mail.

Your responsibilities

You have certain responsibilities before you order merchandise by mail. They include:

- Read advertisements carefully before you order. If the advertisement does not give complete information, write and inquire before you order. Does the ad give all the information you need to make a purchase decision? Remember that it is hard to tell the actual size of an item from a photograph unless the ad states the size, or states that the photograph is actual size.
- Before you order, find out if you can return the merchandise or exchange it. When you order merchandise (clothing, for example), it is difficult to make decisions about size and color without seeing the merchandise. It is important to know if you can exchange the merchandise for a different item or return it for a refund.
- Consider the purchase carefully. Do you really need or want the item? Could you buy the same or a similar item locally?
- Know what kind of plan is involved when the mail order purchase includes

joining a book or record club. The club may be one in which you order books or records (positive option). There are two basic negative-option schemes: (1) You receive a notice that the book or record will be sent unless you return the notice indicating you do *not* want to purchase. (2) You receive the book or record and must send it back if you do *not* want to purchase. In a negative-option scheme, you must read mail carefully and return notices or unwanted goods. Otherwise, you will be buying things you may not have wanted.

After carefully reading the ad and considering the item that you will purchase by mail, you should take care to give the proper information. Your complete address is necessary for delivery.

A common complaint from mail-order companies is that purchasers fail to give a complete address. Keep copies of the order, the ad you are answering, and the address to which you sent it. Never send cash with an order. A cancelled check is proof that the seller received the order.

Make a notation on the check of the name and address of the firm to which you are sending the check and fasten the check securely to the order.

Your rights

You have certain rights when you receive mail-order merchandise or a refund for the items. The Federal Trade Commission (FTC) regulation regarding the mail-order industry states that:

- Goods must be shipped within 30 days of receipt of the order or within the time disclosed in advertising.
- Companies that cannot deliver within this time period must offer the option of a refund or an additional waiting period.

- Following the second waiting period, the order is to be automatically cancelled and the money refunded unless you notify the company of your willingness to wait even longer.

- A mail-order company must adjust a refund to a credit account within one billing cycle.

- Cash, check, or money-order purchases must be refunded within 7 days of a legitimate demand.

- You do not have to accept a refund in the form of "credit" for additional company merchandise.

Not covered by this FTC regulation are "services" such as photofinishing; magazines and other "serials" (such as book sets), except for initial shipments; seeds and growing plants; and c.o.d. orders. The regulation also does not apply if you order by phone.

Nondelivery

If you have ordered merchandise and you have not received it on time, see first if the check sent with the order has been cashed. If you do not have the cancelled check, notify your bank—give the date, number, and amount of the check and the name of the person to whom the check was payable. The bank then can tell you if the check has been paid.

If the check *has not* been cashed, you can stop payment on the check and cancel the order. To cancel the order, write to the company, saying that since the check was not cashed, the company did not accept your order, and you have stopped payment on the check and cancelled the order.

Before stopping payment on a check, find out the charge for stopping payment. Most banks have a fee for a stop-payment order, often \$3 or \$5. On small

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checks, you may want to gamble that the check is lost rather than stop payment any pay the bank charge. You would lose only the amount the check is written for. Ask yourself: "Is it worth paying a stop-payment fee of \$_____ in order to prevent the loss of the \$_____ (amount of the check)?"

If the check *has* been cashed, this means that you have paid for the merchandise. Since the merchandise has been paid for, you need to decide whether you want the merchandise sent or the money returned. Then make the demand for the merchandise or the money.

To make a demand, send a letter to the company. The model at the right shows you how you might prepare a letter of this type.

If you are not satisfied with the company's response, write the Mail Order Action Line (MOAL), sponsored by The Direct Mail/Marketing Association. This is a free service to help consumers with mail-order complaints. The mailing address is MOAL, The Direct Mail/Marketing Association, 6 East 43rd St., New York, NY 10017.

When you contact MOAL, state clearly the details of your complaint: the item or service you ordered, a description of the product, the name and address of the company, and the date you ordered it. Include copies (not originals) of material that substantiates your complaint, such as cancelled check or money order, credit card invoices, and a copy of the ad.

Send a copy of your letter to MOAL, to the mail-order company, and to Consumer Inquiries, Federal Trade Commission, Washington, DC 20580.

In addition, you might contact the publication that carried the ad and the Financial Fraud Section, Department of Justice, Justice Building, Salem, OR 97310.

If a large amount of money is involved, consult an attorney to see if there is a breach of contract involved and if you can obtain relief through the courts.

Unordered merchandise

If you receive goods in the mail that you did not order or did not agree to purchase, you or the person to whom the goods are addressed can consider the goods a gift. You may use the goods or dispose of them in any manner you see fit, with no obligation to the sender. The sender of unsolicited goods cannot mail any bill for these goods or try to collect any money.

Your name
Your street address
Your city, state, ZIP code
Date

Name of seller
Street address
City, State, ZIP code

Dear

I sent you an order for (include complete description of the item you ordered) on (date). My check sent with the order was cashed. Attached is a photocopy of the cancelled check. This order should have been sent (within 30 days or the time specified in the ad).

In accordance with my right under the Federal Trade Commission regulation regarding the mail-order industry, please (send me the order within 30 days or send me a refund within 7 days from the date of this letter).

If the (order or refund) is not received within the time specified, I intend to file a complaint with the Federal Trade Commission.

Sincerely,

(Your signature)

Mail fraud

If the mail-order problem appears to be fraudulent, notify a postal inspector, either directly or through your postmaster. If you believe mail fraud may exist, retain all letters (including envelopes) and other evidence related to the questionable schemes.

Check with neighbors and business associates to see if they have received

similar materials. If so, urge them to complain also.

To stop a dishonest scheme, postal inspectors must find that people buying a product or service were cheated as a result of claims the seller made in an *intentional* effort to defraud. Mail-fraud violations occur when a general scheme or pattern of fraud exists.

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