

NEWS FROM SCDCA

South Carolina Department of Consumer Affairs



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FOR IMMEDIATE RELEASE

Consumer Agency Issues Savvy Consumer “Commandments” for 2009

[Columbia, SC] When most New Year’s resolutions are already falling by the wayside, the South Carolina Department of Consumer Affairs would like to see consumers adopt some good consumer practices for 2009. By keeping these tips in mind, South Carolinians should have fewer hassles and reduce chances of falling for a scam.

1. Thou shalt always use caution when considering a payday or title loan, and tax refund anticipation loans.

Payday and title loans often put you deeper in debt! Interest rates are high and consumers sometimes take out multiple loans. Worse still, a Refund Anticipation Loan (RAL) on your tax refund can be dangerous. If your refund is garnished for an unpaid debt such as medical bills and you’ve already borrowed against the anticipated refund, you’re in double trouble. If you’re short of cash, avoid all these loans by asking for more time to pay a bill or seeking a traditional loan. Even a cash advance on your credit card may cost less in the long run.

2. Thou shalt never do business from a telephone poll.

Look the other way when you see a sign with a toll free number promising credit help, foreclosure abatement, work at home schemes, weight loss, talent searches, etc.

3. Thou shalt think twice before giving out personal information.

Keep your private information private! Guard your Social Security, bank accounts, and credit card numbers with your life. Never give out passwords, pin codes or other sensitive information to an unknown caller or email – no matter who they claim to be. Any company or government entity with whom you do business already has your information. Learn how to protect yourself from identity theft and make a practice of safely shredding all documents containing personal information.

4. Thou shalt do thy homework before making a major purchase.

Don’t rush the purchase and don’t buy under stress. Senior citizens, people in crisis, college students, small business owners, minorities, and immigrants are especially at risk of being

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victimized. Take the time to do your research. Talk to friends, neighbors, and coworkers you trust. The more you know before you head to the store (car dealership, mortgage broker, etc.), the more likely you are to get a good deal.

5. Thou shalt not hire a contractor who just shows up at the door.

They'll offer you a great deal because they're "in the neighborhood" and have materials left over from a previous job. Reputable contractors just don't work that way. Also, get all promises in writing. If it isn't written down, it doesn't count. Verbal promises are worthless because if there's a dispute, you have nothing to back up your claim.

6. Thou shalt not be pressured into buying.

Good businesses don't need to rush you into a decision. The high-pressure buy now approach is designed to keep you from comparison shopping. Don't fall for it. If the sales person tells you the price won't be good if you walk out the door, turn around and leave!

7. Thou shalt not assume a transaction can be undone.

Despite popular opinion, everything is NOT covered by a three-day cooling-off rule. This only applies to sales of \$25 or more that take place at your home or away from the company's normal place of business.

8. Thou shalt not buy a used car without an inspection.

A mechanic can spot structural problems, odometer fraud and flood damage; things that won't necessarily show up on a Car Fax report. Yes, you'll pay \$100 or so to have this done, but it's worth the money.

9. Thou shalt think twice before purchasing Extended Warranties and Service Contracts.

They are almost never worth what you pay for them. Often, they don't cover the parts that are subject to frequent repairs, or the circumstances covered by the warranty are very limited.

10. Thou shalt remember that "if it sounds too good to be true – it usually is!"

The expression has become cliché, but the advice is rock solid. With most scams the warning signs are there, we just tend to ignore them. We let greed and gullibility replace common sense. Don't give your hard-earned money to a con artist. Remember these rules:

- You can't win a contest or lottery you didn't enter — even if the prize winning notice says you did. Also, foreign lotteries are illegal.
- If it's a prize, it's yours for free. You don't have to pay any fee or distribution tax or give out your credit card number.
- You can't make lots of money doing virtually no work on a part time basis.
- You never have to pay money up front for a credit card or a loan.
- No one can "guarantee" you a credit card or loan acceptance regardless of your credit history.
- If it says "100% Legal," run the other way!

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