



CONSUMER E-NEWSLETTER

brought to you by the Division of Consumer Services

FLORIDA DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES Charles H. Bronson, Commissioner
1-800-HELP-FLA (435-7352) | 1-800-FL-AYUDA (352-9832)

Gift certificates (commonly referred to as "gift cards") are a "one-size fits all" gift, which virtually ensure the recipients can get exactly what they want, while credit memos are instruments (certificates or cards) issued in exchange for returned merchandise. Consumers should make a concerted effort to understand a gift certificate's/card's policies before buying a stack of them from their favorite retailer or local financial institution. Understanding these policies can be a daunting task in and of itself, as they seem to differ based on whether the gift certificate is a "retail gift card" or a "bank gift card" (issued by a financial institution or a money transmitter and redeemable by multiple unaffiliated merchants).

Giving Gifts that don't Expire

Retail Gift Certificates and Credit Memos

These items were defined and largely affected by the recent legislation that was signed into law this year in Florida. The new law requires that a gift certificate or credit memo sold or issued for consideration in this state shall NOT have an expiration date, expiration period, or any post-sale charge or fee, such as a service charge, dormancy fee, account maintenance fee, or cash-out fee. Savvy consumers might want to consider the following tips when buying or using retail gift certificates (gift cards):

- Read the terms and conditions of the card, and check on possible purchase exceptions. For example, can the recipient use a store-specific gift card at either the physical store or at the store's website?
- Treat the card like cash. If your card is lost or stolen, report it to the issuer immediately. Most issuers have toll-free numbers to report lost or stolen cards. Also, give the recipient the original receipt to verify the card's purchase.
- Buy from sources you know and trust. Avoid buying gift cards from online auction sites; the cards may be counterfeit or may have been fraudulently obtained.

Gift Cards from Financial Institutions or Money Transmitters

While traditional retail gift certificates/cards still dominate the market, gift cards carrying the logo of American Express, Discover, MasterCard and Visa, constitute the fastest growing segment of the market. They are also sold at retail establishments, and are welcome wherever those same brands of credit, debit, or charge cards are accepted. Unfortunately, from a consumer standpoint, these types of gift cards do not fall under the new Florida law. Although retail gift certificates/cards are usually issued free of charge, financial institutions and money transmitters often impose a variety of fees, offer features, and pose problems that retail gift cards do not.

In fact, there are so many fees, features, and issues that many are disclosed in somewhat lengthy paperwork accompanying the cards rather than being printed on the cards themselves. This can make it very difficult on the consumer, so here are a few things to consider when either purchasing or using a bank gift card:

- Does the card have a processing/purchase fee, can it be replaced and at what charge, is there a monthly maintenance fee or an expiration date, can it be used to obtain cash from an ATM and is there a fee involved, is there a telephone balance inquiry fee, can the card be reloaded, and can the card be used to make purchases online?

Remember, gift certificates/cards are like cash. If you lose them and don't have a photocopy, you've just lost money. So don't wait. Make photocopies now. Set up a family gift certificate file to retain the original receipts, subsequent receipts, any expiration/fee commencement dates, any inserts with terms and conditions, and toll free customer service numbers. Register the cards of retailers that require it for replacement. But keep in mind, most retailers will charge a fee to replace your lost or stolen card.

For more consumer information, or a complete list of exemptions to the new law, give us a call today at 1-800-HELP-FLA (435-7352), 850-488-2221 (outside of Florida), or 1-800-FL-AYUDA (352-9832) en Español, and a consumer specialist will be happy to assist you. You can also visit us online at www.800helpfla.com.



Dear Friends:

As most of you are already aware, finding the perfect gift for that special someone seems to get more difficult with each passing year. As a result, Florida merchants are finding a considerable increase in the number of gift certificates/cards being purchased by consumers, to a large degree, allowing these gift buying anxieties to be minimized. Recent studies indicate that consumers purchased \$80 billion in gift cards nationwide during 2006. With this kind of volume and no expected decline in the trend, there has been a great deal of ongoing interest nationally in revising regulations covering such items.

In 2007, the Florida Legislature passed a new law, Section 501.95, Florida Statutes, that requires gift certificates and credit memos sold or issued to Florida consumers shall not have an expiration date, expiration period, or any post-sale charge or fee. Additionally, businesses are no longer required to report unredeemed gift cards to the Florida Department of Financial Services as unclaimed property if the card goes unspent.

The new law has a number of exclusions / exemptions which could potentially create some confusion for you the consumer. For additional information and a full listing of exemptions from the law, call us today at 1-800-HELP-FLA (435-7352), 850-488-2221 (outside of Florida) or en Español at 1-800-FL-AYUDA (352-9832). Remember... consumer education is the best defense against fraud and deception!

Sincerely, *Charles H. Bronson*