



CONSUMER ALERT

Office of Consumer Affairs

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Know the Laws About Gift Cards This Holiday Season

Gift cards can be the perfect gift. No worries about color, size or selection. But not all gift cards are the same. "Consumers should familiarize themselves with the laws that regulate gift cards," advises Cynthia Sich, Director of the Summit County Office of Consumer Affairs. "It is important for consumers to understand that Ohio and Federal laws can be different, and the law which offers greater protection prevails."

Ohio defines "gift card" as a certificate, electronic card, or other medium issued by a merchant in exchange for the right to redeem the certificate, electronic card, or other medium for goods, food, services, credit, or money of at least an equal value. Gift cards do not include a prepaid calling card used to make telephone calls.

Gift Card Law Highlights:

- **Ohio** says gift cards are prohibited from expiring within 2 years from the date that the gift card is purchased or from the last date any money was reloaded onto the gift card, *but* **federal** law bans expiration within 5 years of purchase or reloading, so federal law comes first.
- **Federal** law prohibits gift cards from charging fees during the first 12 months of purchase, *but* **Ohio** does not allow fees within 2 years after a card is issued meaning state law prevails.
- In **Ohio** a gift card with no expiration date means it is valid until redeemed or until the merchant replaces it with a new gift card.
- **Federal** law requires that a toll-free phone number and a web address, if applicable, where consumers may obtain information about fees or replacement cards must be disclosed.

Important Gift Card Regulation Exclusions:

- Gift cards sold by a nonprofit or charitable organization for fundraising purposes.
- Gift cards distributed by the issuer to a consumer as an award, loyalty or promotional program without any money or anything of value being given in exchange for the card.
- Cards that are usable in multiple, unaffiliated businesses (such as a mall) or for services.
- Cards issued to any employee in recognition of services performed or a gift card that an employer gives to an employee if use of the card is limited to the employer's business establishment.

Consumer Affairs recommends that consumers use gift cards as soon as possible so that they are not left with a valueless piece of paper or plastic if the company issuing the card goes out of business or files bankruptcy.