

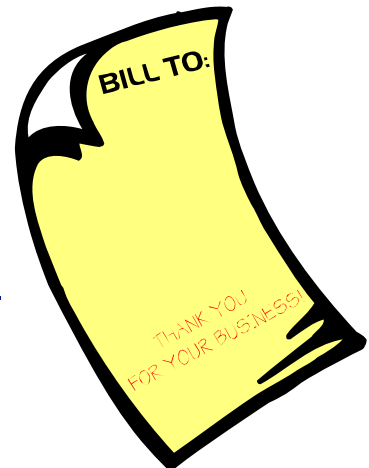
Dealing With Billing Errors or Unauthorized Charges

Have you ever been billed for merchandise you returned or never received? Has your credit card company ever charged you twice for the same item or failed to credit a payment to your account? While frustrating, these errors can be corrected. It takes a little patience and knowledge of the dispute settlement procedures provided by the Fair Credit Billing Act.

The law applies to "open end" credit accounts, such as credit cards, and revolving charge accounts, such as department store accounts or Visa/MasterCard. It does not cover installment contracts, loans or extensions of credit you repay on a fixed schedule, for example, car loans, furniture and major appliances.

Consumers who are experiencing problems with billing errors or unauthorized charges and need help may contact our office at 330-643-2879 or file a complaint in writing, see "How to File a Complaint."

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What types of disputes are covered?

The Fair Credit Billing Act settlement procedures apply only to disputes about "billing errors." For example:

- unauthorized charges. Federal law limits your responsibility to \$50;
- charges that list the wrong date or amount, math errors;
- charges for goods and services you didn't accept or weren't delivered as agreed;
- failure to post payments and other credits, such as returns;
- charges for which you ask for an explanation or written proof of purchase along with a claimed error or request for clarification;
- failure to send bills to your current address - provided the creditor receives your change of address, in writing, at least 20 days before the billing period ends.

How do I dispute a bill?

Write to the creditor at the address given for "billing inquiries," not the address for sending your payments, and include your name, address, account number and a description of the billing error. It is recommended that you send your letter by certified

mail, return receipt requested, so you have proof the creditor received your letter. Include copies (not originals) of sales slips or other documents that support your position. Keep a copy of your dispute letter. Make sure you send your letter so that it reaches the creditor within 60 days after the first bill containing the error was mailed to you.

The creditor must acknowledge your complaint in writing within 30 days after receiving it, unless the problem has been resolved. The creditor must resolve the dispute within two billing cycles (but not more than 90 days) after receiving your letter. Below is an example of a dispute letter.

Sample Dispute Letter

Date

Your Name

Your Address

Your City, State, Zip Code

Your Account Number

Name of Creditor

Billing Inquiries

Address

City, State, Zip Code

Dear Sir or Madam:

I am writing to dispute a billing error in the amount of \$_____ on my account. The amount is inaccurate because (*describe the problem*). I am requesting that the error be corrected, that any finance and other charges related to the disputed amount be credited as well, and that I receive an accurate statement.

Enclosed are copies of (*use this sentence to describe any enclosed information, such as sales slips, payment records*) supporting my position. Please investigate this matter and correct the billing error as soon as possible.

Sincerely,

Your name

Enclosures: (*List what you are enclosing.*)

What happens while my bill is in dispute?

You may withhold payment on the disputed amount, during the investigation. You must pay any part of the bill not in question, including finance charges on the undisputed amount.

The creditor may not take any legal or other action to collect the disputed amount and related charges (including finance charges) during the investigation. While your account cannot be closed or restricted, the disputed amount may be applied against your credit limit.

Will my credit rating be affected?

The creditor may not threaten your credit rating or report you as delinquent while your bill is in dispute. However, the creditor may report that you are challenging your bill. In addition, the Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants who exercise their rights, in good faith, under the Fair Credit Billing Act. Simply put, you cannot be denied credit simply because you have disputed a bill.

What if...the bill is incorrect?

If the creditor's investigation determines that your bill is incorrect, the creditor must explain to you, in writing, the corrections that will be made to your account. In addition to crediting your account, the creditor must remove all finance charges, late fees or other charges related to the error.

If the creditor determines that you owe a portion of the disputed amount, you must get a written explanation. You may request copies of documents proving you owe the money.

What if...the bill is correct?

If the creditor's investigation determines the bill is correct, the creditor must explain to you in writing how much you owe and why. You may ask for copies of relevant documents. At this point, you will owe the disputed amount, plus any finance charges that accumulated while the amount was in dispute. You also may have to pay the past minimum amounts that were not required during your dispute.

If you disagree with the results of the investigation, you may write to the creditor, but you must act within 10 days after receiving the explanation, and you may indicate that you refuse to pay the disputed amount. Now, the creditor may begin collection procedures. However, if the creditor reports you to a credit bureau as delinquent, the report also must state that you don't think you owe the money.

What if...the creditor fails to follow the procedure?

Any creditor who fails to follow the settlement procedure may not collect the amount in dispute, or any related finance charges, up to \$50, even if the bill turns out to be correct. For example, if a creditor acknowledges your complaint too late, or takes more than two billing cycles to resolve a dispute, the penalty applies. The penalty also applies if a creditor threatens to report, or improperly reports, your failure to pay to anyone during the dispute period.

Billed for merchandise you never received?

The Fair Credit Billing Act and the Mail or Telephone Order Merchandise Rule offer protections and procedures for consumers so they do not have to pay for merchandise they ordered but never received. The dispute process for merchandise that you ordered but never received is the same as above. In addition, many credit card issuers have policies against merchants charging a credit card account before shipment. If you think a merchant charged your account prematurely, report it to the credit card issuer.

If you ordered by mail, telephone, fax or on the Internet, the Mail or Telephone Order Merchandise Rule provides additional protection. When a merchant cannot deliver on time, they must seek your consent to the delay. If you choose not to wait, you can cancel your order and obtain a full refund.

An important reminder

Disputes about the quality of goods and services are not "billing errors," so the dispute procedure does not apply. However, the Fair Credit Billing Act allows for consumer protection in the event of unsatisfactory purchases, and undelivered or misrepresented services/products. If you are unsatisfied with a purchase from a store, there are things you can do. First, you must make a good faith effort to resolve the problem with the seller. If the merchant refuses to refund your money or replace the item, you may be able to take action with your credit card company. If no resolution is reached, you can file a complaint in writing with our office.

Other billing rights

Businesses that offer "open end" credit also must:

- give you a written notice when you open a new account - and at certain other times - that describes your right to dispute billing errors;
- provide a statement for each billing period in which you owe - or they owe you - more than one dollar;
- send your bill at least 14 days before the payment is due - if you have a period within which to pay the bill without incurring additional charges;
- credit all payments to your account on the date they're received, unless no extra charges would result if they failed to do so. Creditors are permitted to set some reasonable rules for making payments, say setting a reasonable deadline for payment to be received to be credited on the same date; and
- promptly credit or refund overpayments and other amounts owed to your account. This applies to instances where your account is owed more than one dollar. Your account must be credited promptly with the amount owed. If you prefer a refund, it must be sent within seven business days after the credit or receives your written request. The creditor must also make a good faith effort to refund a credit balance that has remained on your account for more than six months.