South Carolina
Consumer Affairs Report

SOUTH CAROLINA DEPARTMENT OF CONSUMER AFFAIRS, P. O. BOX 5757, COLUMBIA, S. C. 29250 1-800-922-1594

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PROCLAMATION BY GOVERNOR RICHARD W. RILEY

ON

NATIONAL CONSUMER EDUCATION WEEK

WHEREAS, there has been a significant spread of interest in consumer education and a deepening commitment to its implementation at all levels of society; and

WHEREAS, consumer education has already helped many South Carolinians to improve their lives by learning to become better shoppers, by understanding how the marketplace functions and by developing participatory skills in government and corporate decision-making; and

WHEREAS, South Carolina educators, consumer groups, businesses, and governmental agencies have all played an important role in supporting and conducting consumer education activities; and

WHEREAS, knowledgeable consumers who make informed decisions before they buy reduce the number of service problems and help businesses to improve their products and services; and

WHEREAS, South Carolina has increased the commitment to provide comprehensive and coordinated consumer education programs that will better prepare students to make informed and responsible decisions based upon an awareness of their social, economic and environmental impact; and

WHEREAS, because our experience and common sense tells us that a consumers' best protection is consumer awareness,

NOW, THEREFORE, I, Richard W. Riley, Governor of the State of South Carolina, do hereby proclaim the week of October 5 through October 11, 1980 as:

NATIONAL CONSUMER EDUCATION WEEK

in South Carolina.

Richard W. Riley

Richard W. Riley

AUTOMOBILE REPAIRS

Americans spend nearly $50 billion dollars a year to repair and maintain their cars. Many do not get their money's worth and the National Highway and Traffic Safety Administration has estimated that up to $20 billion is wasted annually on poor and needless fraudulent repairs. Most consumers know little about how their cars work and what types of maintenance are advisable. Consumers often go into a repair shop with open wallets and all too often come out a good deal poorer. Thus, the consumer must serve as his own protector. The better prepared he is at choosing a repair facility, knowing what to do when he gets there and knowing what to do if he is dissatisfied, the better off he will be. The following auto repair tips are recommended: (1) Choose the shop wisely. Check the reputation of the facility and the complaint policy. Choose one that offers written estimates and guaranteed work. Shop around for competitive prices, then call ahead for an appointment. (2) Request that only qualified mechanics work on your car. (3) Describe the problem as specifically as possible to the mechanic who will work on your car. (4) Don't tell the shop what repairs to make unless you are absolutely sure that the repairs are needed. If you do tell the shop what repairs to make, remember

that their obligation is merely to make the specified repairs which may or may not correct your problem. (5) Ask for a written estimate and tell the shop owner to get your approval for any additional repair work. If you are asking for a diagnosis of the problem, ask the shop how much the diagnosis will cost if you do not get the repair work done. (6) Ask for the return of replaced parts. It should be noted that in some cases the exchange of old parts for the new ones affect the price of the replacement part. In such cases it is best not to ask for the return of the replaced part. You can, however, ask for a dated statement that a new or reconditioned part was, in fact, installed in your car. The statement should be signed by the shop owner or manager. (7) Make sure to get any guarantees in writing and ask the shop to explain time limitations or other restrictions or guarantees. If, after the work is done and you have a complaint about the work or the cost of repairs, discuss it with the shop owner, manager or someone in charge. Often disputes are the result of a lack of communication and can be resolved easily when you talk politely with the person in authority. If you still are not satisfied, contact your local consumer office.

CREDIT

Almost everyone uses credit as a convenience or as a necessity. Consumer credit provides funds for the purchase of houses, cars, appliances, and many other services. On the other hand, credit has caused many responsible consumers to get into trouble by overextending themselves. Consumer credit requires moral responsibility and an awareness by the consumer of the sources and costs of credit available in the money market place. Each and every credit transaction requires certain legal and moral responsibilites and repayment obligations. Essential to obtaining credit of almost any kind is an acceptable credit rating. Your credit rating is vital to your financial growth and satisfaction. It can be a solid resource for your financial need and comfort, or it can be scarred or destroyed by a single delinquency on your part. For example, if you overdraw your account at a bank, there's a record of it. If you take 60 or 90 days to pay a 30-day department store bill, you'll not only probably receive letters from the store, but you may get a "slow" or even "doubtful" credit rating which can take years to erase. Every significant delay or failure to pay off debts promptly puts a black mark on your credit rating. The commonly recognized formula for determining your credit rating consists of the three "C's" - Character, Capacity and Collateral. Character is revealed in one's attitudes, conduct and achievements. Capacity is reflected in the individual's earning power and ability to repay. Collateral is something tangible with monetary value which is pledged to guarantee the repayment of a loan. Because credit is such an important asset to the consumer, it is essential for consumers to have several excellent credit references. In fact, some consumers who normally pay for everything in cash charge something once in a while and pay the bill upon receipt just to maintain a favorable credit rating. Unwise use of credit may lead to unsurmountable money problems and perhaps to eventual family bankruptcy. Credit, when used as a substitute for financial planning may give temporary satisfaction, but it does not justify excessive usage. Credit is not increased income. It is the present use of unearned, future income. Moreover it is a service for which consumers pay. It is not free. It costs money. Consequently, consumers should thoroughly analyze the cost of credit and the services provided by the lender. Shopping for credit is not always a pleasant task. Moreover, it's a complicated one. But it pays to shop since it can mean the difference in paying 5, 20, 40 or even 120 percent interest. Although understanding and shopping for credit are essential, it is equally important to use it discriminately. There are four basic rules which consumers should remember when considering the use of credit: Use consumer credit only when necessary; assume a debt only if it can be paid off with reasonable ease; understand credit contracts before signing; always determine the dollar cost or the true annual percentage rate before signing a credit contract. A consumer's best protection in using consumer credit is consumer awareness of the uses of credit and its potential pitfalls.

MAIL ORDER

When buying by mail consumers should take extra precautions because mail order problems are a major source of consumer complaints. If you have a problem with a mail order purchase, you should write directly to the company. The address will be on the order blank copy that you saved. If it is not resolved by your letter to the company, call the S. C. Department of Consumer Affairs and ask to file a complaint form with them which they will follow up for you. The Federal Trade Commission has a rule that gives you

some rights when you order by mail. You must receive the merchandise when the seller says that you will. If you are not promised a delivery date within a certain period of time, the seller must ship the merchandise to you no later than 30 days after the order comes in. If you do not receive the merchandise shortly after that 30 day period, you can cancel your order and get your money back. If you cancel a prepaid order, the seller must mail you the refund within seven business days. Where there is a credit sale, the seller must adjust your account within one billing cycle. If you receive something in the mail that you did not order, you may consider it a gift and keep it without paying for it. Only two kinds of merchandise can be sent legally through the mail without a consumer's prior consent: (1) free samples, clearly maked as such, and (2) merchandise mailed by a charitable organization for contributions. Even though unordered merchandise sent by a charitable organization can be legally sent to your home, the same file applies: You do not have to pay for it.

FRAUD AND RIP-OFFS

Fraud can be described as "intentional deception to cause a person to give up property or some lawful right". Consumer fraud is deliberate deception of the consumer by sellers, manufacturers, and other business people. Consumer fraud and rip-offs take place in all areas of business transactions. It occurs so frequently and unnoticed that it has become extremely difficult for the average consumer to identify what practices are fraudulent and even more difficult to prove that they are deliberate deceit. There are somewhere between 800 and 1,000 of the more prevalent schemes which are being practiced at any one time with hundreds of variations of the basic con game. In every scheme there is a perpetrator and a victim. Every consumer is a potential victim. It is not sufficient to know what the schemes are and how they are worked; it is essential to understand human weakness which makes us ever susceptible. It is well to remember that the schemer relies for success upon universal human desires to be healthy, wealthy --- to get something for nothing or to get a lot for a little. In order to make a sale, the schemer has to convince his prospect of two things: first, that he wants something, and second, that what the schemer has to offer will satisfy that want. For the schemer the task is simplified. Everyone wants money. Everyone wants happiness and health. The schemer only has to convince his prospect that his proposition will satisfy that particular want. To accomplish this end he appeals to all human desires and takes advantage of the consumers' lack of knowledge. Above all, he tries to prevent the consumer from making an investigation, or when this is impossible, to discredit what he knows in advance will be the outcome of the investigation. Promises are the "stock-in-trade" of the schemer. They are cheap but effective, but all too often they fail to materialize. Your interest can best be protected if you deal only with legitimate businesses, reliable persons and responsible concerns. Good products speak for themselves. They don't need gimmicks. Be wary of exceptional enticements, such as a free gift (You'll usually pay for it in the price of the product), or an opportunity to "get yours free, if you find ten more buyers." (This rarely works; the salesman has already canvassed the area.) Beware of claims that "this can't be purchased in any store" "supplies are limited", "you have been selected", "it's free, just pay the postage." You'll be wise to close your ears - and your door - when a sales person tries to play on your sympathy (sick wife, a string of bad luck) or tells you about a well known person in town who bought one. Before buying from any door-to-door salesperson ask to see identification, and read it. It should tell who he is, what he is selling, the name and address of his company. Then find out when you get what you will buy, whether you can return the merchandise and get your money back, how you can get the product repaired or parts replaced and whether you must sign a contract. A few more hints: don't sign a contract with unfilled blanks. Don't buy anything that costs more than you can afford to pay with cash on hand unless you can think about it for 24 hours. Before buying any land, visit the property. Investigate before you invest your hard earned money in any venture.

HOME REPAIRS

People have a right to expect that they'll get what they pay for, and that what they get is worth the price. But few people can be well informed enough about most goods and services to really know that their money is being spent for worthwhile results. This is especially true for a homeowner contracting for home repairs or improvements, but who may know little or nothing about what the repairs or improvements will involve or how much they could cost. It's easy to tell that a house needs to be repainted, but unless a homeowner

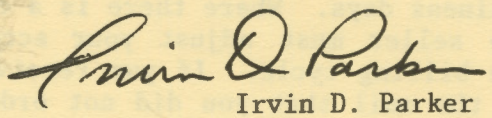
is a professional painter that homeowner isn't going to know how much paint the job would require, the best paint to use, the time the job would take to complete or more importantly which of the many available contractors can do the best job at the lowest price. Here are some suggestions to help consumers avoid misunderstandings about home improvements. There are three important rules to follow: (1) Always get a second opinion on the need for repairs or improvements to your home, including a written estimate of the costs and the time the job will take. (2) Never pay for home repairs in advance and (3) Get all of the important details of your arrangements with a contractor in writing, including a break-down of the materials and labor (including costs), a completion date and a detailing of any guarantees or warranty. You should also check out a contractors' reputation by asking for references.

ADDENDA

Few individuals possess all the skills needed to make them good consumers. They lack the insights of what to look for before signing a contract, or about the real costs of credit or how to complain about faulty merchandise. Consumer Education addresses these questions and a multitude of others.

Competent consumers understand what they really value and want. They learn to judge the quality of competing goods and services and to grasp the basics of money management, credit, and investments. Consumers need to know how to match their needs and resources with available goods and services. They must learn to plan and budget their purchases and how to maintain the items that they have purchased.

Consumer Education attempts to equip persons to function as responsible consumers in a complex and technological society. Consumer Education is also a continuing process of learning that begins at the preschool level and continues throughout life.



Irvin D. Parker
Administrator

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Editor — Bob W. Rowland

Administrator — Irvin D. Parker

Assistant Editor — Brandolyn T. Clanton

Associate Editors — Sandra Thurman
Ree Driggers
Anna Stewart

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SOUTH CAROLINA DEPARTMENT OF CONSUMER AFFAIRS
2221 DEVINE STREET
P. O. BOX 5757
COLUMBIA, S. C. 29250