



Real Deal on Rebates

From the Office of Minnesota Attorney General Keith Ellison

Attractive rebates for products such as cell phones, computers, spas, and mattresses often entice consumers into purchases from companies that promise money back, or partial or full reimbursement at a later date. Despite the appearance of a good deal, companies may use the rebates to convince consumers to buy products with the hopes that they will not take the time and effort to fulfill rebates, some of which may contain obstacles. In fact, according to a report in the Wall Street Journal, some companies count on customers not bothering to claim their rebates at all.

Although some rebates for small purchases are processed immediately at the checkout counter, most rebates must be completed through the mail. Some can be very confusing. Companies may require a significant amount of documentation from consumers, such as the original sales receipt, the UPC code, a company rebate form (sometimes confusing and only available through the company's website), and other information, such as a "rebate certificate." In some cases, consumers have been asked to send numerous letters at different times within a period of many years in order to claim a refund.

Companies sometimes make claims about their rebate programs that are not true. For instance, a company may indicate that their rebate program is insured, so that if they go out of business, the rebate will still be valid. Some consumers have made purchases which included five or ten-year rebates only to discover that a company did not purchase insurance—leaving them with little chance of receiving any money back.

The Minnesota Attorney General's Office encourages consumers to consider the following information before purchasing products from companies based upon the promise of a rebate:

Know the Company

Some companies may use other companies to fulfill their rebates. Ask questions about the reliability of the business. Call the Better Business Bureau to find out any information about the company.

Question Rebates with Long Time Periods

The sooner you get the rebate, the better. For example, one company offered a rebate that was redeemable only after ten years. Consumers who contacted the company ten years after buying the product were told that too many people had applied for the rebate and that they would only receive a portion of what was promised.

Read and Understand the Terms and Conditions

Find out what responsibilities are required of the consumer in order to claim the rebate (i.e., requests for documentation such as original receipt, UPC codes, forms, etc.). In addition, ask how long it will take to receive the rebate. Federal law states that consumers should receive the rebate in the timeline promised, and if that is not indicated, within 30 days after sending documentation to the company. It is also important to know the period of time a consumer has to supply the requested documentation.

Ask about Insurance

Check to see if the company insures its rebates. If they say "yes," ask for verification. If you decide to purchase a product with a rebate, voucher, or cash-back program, consider the following information to receive the best results:

- Follow the instructions on the rebate form and enclose all required documentation in the envelope when applying for a rebate.
- Make a copy of all paperwork to be mailed when applying for a rebate. If something goes wrong

or the company loses your paperwork, you will have a record of the transaction.

- Contact the company if the rebate doesn't arrive within the time period promised, and to check on the status of a rebate (some companies offer updates by email that send you a note when a rebate is sent).
- Because some companies have sent checks out within "flimsy" postcards easily mistaken for regular mail, consumers should closely watch their mail for rebate checks.

For further information, contact the Minnesota Attorney General's Office as follows:

Office of Minnesota Attorney General

Keith Ellison

445 Minnesota Street, Suite 1400

St. Paul, MN 55101

(651) 296-3353 (Twin Cities Calling Area)

(800) 657-3787 (Outside the Twin Cities)

www.ag.state.mn.us

If you would like to learn more about a company, contact the Better Business Bureau, which offers a searchable database on its website and can be contacted as follows:

Better Business Bureau

of Minnesota and North Dakota

220 South River Ridge Circle

Burnsville, MN 55337

(651) 699-1111 or (800) 646-6222

www.bbb.org/minnesota

You may also contact the Federal Trade Commission to file a complaint against a company that you believe is using deceptive practices as follows:

Federal Trade Commission

Consumer Response Center

600 Pennsylvania Avenue, NW

Washington, DC 20580

(877) 382-4357

TTY: (866) 653-4261

www.ftccomplaintassistant.gov

Spotlight on Rebate Offers: Does this Sound Simple?

One company's "cashable rebate" contained the following rules that a consumer must follow to be eligible for a rebate:

- "Within seven days of the issue date shown overleaf you must submit an initial registration by signing where indicated overleaf and then mail a photocopy of the front side of this voucher by certified mail only to the trust at the US administration address."
- "Within fourteen days after each six-month anniversary of the issue date you must submit a re-registration by sending on each occasion a further signed photocopy of this voucher by certified mail only to the trust at the US administration address."
- "When re-submitting the first re-registration of the original documents, the consumer must notarize copies of their driver's license, passport or birth certificate. They must also provide the invoice, receipt or finance agreement, and third party written proof of payment of the items or payment to date for rental/lease/finance of the items in the form of relevant bank statements or if paid by cash a relevant receipt or other similar documentary proof."