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Things You Should Know About...MAGAZINE SALES

There are hundreds of magazines on the market covering a huge variety of subjects. Unfortunately, many consumers report problems related to magazine purchases, ranging from unfair selling practices to billing errors. Following is a description of the problems being reported and some suggestions on how to avoid them.

Sweepstakes Offer

“You may be our next ten million dollar winner, just enter our sweepstakes!” Offers like these show up in the mailboxes of Illinois consumers on a regular basis. Magazine sellers and clearinghouses offer sweepstakes prizes as a way to attract new customers. Promoters tell you how easy it is to enter, and that no purchase is necessary. However, the promotions may give the appearance that the more magazines you order, the closer you are to winning the grand prize.

The purpose behind these sweepstakes is to get consumers to buy more magazines. Although in most contests someone will eventually win, chances are it won't be you. Always check the section of the promotion which describes your odds of winning.

Another problem faced by consumers who just want to enter the sweepstakes is that they soon find themselves with bills for magazines they never ordered. If you do decide to participate in the sweepstakes, keep good records and don't be intimidated into making a purchase. Some magazines tell those who don't order anything that they will no longer be on the list for future sweepstakes.

Remember you don't have to pay to play. This means that if you submit an entry, you must have an equal chance of winning, even if you don't purchase a magazine.

Door-To-Door Sales

Another area of concern is door-to-door sales. Some sellers use deceptive practices in order to sell magazines. Some people selling magazine subscriptions will say anything to get inside your home. Sellers might say that they are involved in contests or scholarship competitions when the main objective is simply to make a sale.

Some door-to-door sellers are very good at persuading you to buy products you don't really need. These sellers try to pick up clues about what hobbies and interests you have by looking at things in your home. They work this into their sales pitch and try to promote specific magazines. Other sellers will falsely tell you they've sold magazines to a neighbor in order to gain credibility.

If you're interested in buying a magazine subscription, make sure the seller gives you the total price, including tax, and any credit or finance charges. Also be sure any special conditions and payment schedules are clearly described. Read the entire sales contract. Any paper you sign can be a legally binding contract. The contract should include:

- date of sale;
- seller's name;
- street address and phone number of the company; and
- a notice of cancellation form explaining your three-day right to cancel.

Review written agreements very closely. Be careful that what was said by a salesperson is actually included in the contract. There should not be any blank spaces on the contract where additional terms could be added later. Keep a copy of any written document exchanged between you and the seller. Often times this is the only proof that the sale occurred.

Remember, Illinois citizens have the right to cancel door-to-door transactions over \$25. within three business days.

Telephone Sales

Telemarketing has become an easy way for magazine sellers to contact customers. Consumers need to be careful when handling sales over the phone. Some telemarketers avoid identifying themselves as sellers. Others ask for credit card numbers for “verification” purposes or claim their company is “regulated” or “approved” by the government when no such agency exists for this purpose. When offered a bargain over the phone:

- Listen carefully.
- Ask for the total cost, the time period covered and the individual subscription cost. A hurried “yes” to the caller may obligate you to years of monthly payments for magazines you may not really want or could purchase elsewhere for less.
- Get the name, street address, and phone number of the company, in addition to the name of the salesperson.
- Ask for a written copy of the sales terms.
- Don’t give your credit card number out over the phone for “verification” purposes. Unwanted subscriptions could be billed to you.

Billing and Credit

Another area of major concern is the credit and billing procedures used to purchase magazines. When problems of this type occur, the consumer’s first step should be to contact the credit card company as soon as possible (within 60 days after the first bill containing an error is mailed to you) with a written letter. In the letter, include:

- your name and account number;
- a statement explaining why you feel there is an error in the billing;
- the dollar amount involved;
- the reasons you believe there is a mistake; and
- photocopies of sale slips or other documents.

It is a good idea to send this letter by certified mail with a return receipt requested. Keep a copy of the letter and all the original documents for your records.

Under the Federal Fair Credit Billing Act, the credit card company has 30 days to acknowledge that the letter was received. Within the next 90 days, or two billing periods, whichever is shorter, it must conduct an investigation into the possible error. The credit card company must then correct the mistake, or explain why the bill is believed to be correct. During the investigation, the credit card company cannot damage your credit rating or report you delinquent to anyone.

Negative Option Plans

“Negative option” is a marketing plan that means, “We’ll keep sending you our product until

you tell us to stop.” It becomes the responsibility of the consumer to cancel the order. When you send in an introductory coupon for a “free” or “trial” copy of a magazine, you may be committing to a binding contract with the company which requires you to buy a specified amount of merchandise within a limited period of time. If you are dissatisfied with the “trial” product, it becomes your responsibility to contact the company and cancel any future orders.

If you fail to notify the company in writing that you’re not interested in continuing a subscription, you may find yourself receiving not only lots of magazines, but lots of bills. Too many consumers toss the package on the shelf, or the bill in the wastebasket. Unless you deal with the problem, the bills will keep coming – each one with a more threatening collection message.

If you enter into an agreement that involves a negative option plan, pay close attention to all the mail you receive from the company. Keep a record of all the orders you place and all the bills you pay. When you decide to cancel a contract after you have complied with all terms of agreement, contact the company in writing to cancel future orders. If possible, send your notification by certified mail. Return unwanted shipments and keep records of how the merchandise was returned, any dates of the transactions, and copies of correspondence.

If you receive a copy of a magazine and are absolutely certain that someone in your household did not sign an agreement, or agree to review a “trial” issue, you are under no obligation to make a payment. Consider the item an unsolicited gift. If a bill arrives, however, take the time to write the company and clarify your position.

Things To Remember

When you agree to purchase a subscription, carefully review the solicitation. Compare the price with what it costs to purchase a subscription directly from the publisher. Calculate the cost of the subscription for the entire year. Monthly rates may sound appealing, until you realize the total cost is actually several hundred dollars during the course of the year.

If you do decide to make a purchase, carefully review the sales contract before you sign it. Keep good records of any contacts between you and the seller.

Don’t ignore problems. Notify the company in writing if you want to dispute billings or cancel your subscription. To file a related complaint, contact the Illinois Attorney General’s office, Consumer Fraud Bureau.

Office of the Illinois Attorney General

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