



## **TEN WAYS TO PROTECT YOURSELF FROM SCAMS AND RIP-OFFS**

- 1. Check the track record.** Before you buy from unfamiliar companies, check with your state or local consumer agency\*, the Better Business Bureau, and online complaint forums to see if other people have reported serious problems.
- 2. Hire licensed professionals.** When hiring home improvement contractors or other professionals, ask your state or local consumer agency\* if they must be licensed or registered and how you can confirm that they are.
- 3. Pay the safest way.** When you buy goods or services that will be delivered later, pay with a credit card so you can dispute the charges if you don't get what you were promised.
- 4. Use gift cards, gift certificates and coupons promptly.** Even well-established businesses can suddenly close or go bankrupt, and it may be impossible to get refunds for the unused balances on gift cards and gift certificates or to use discount coupons that you have paid for.
- 5. Don't pay in full upfront.** If you are asked for a deposit for home improvement or other services, pay a small amount, never the full price upfront.
- 6. Recognize the danger signs of fraud.** Be suspicious of any requests to wire money; scare tactics or pressure to act immediately; promises that you can borrow, win or make money easily if you pay a fee in advance; unexpected requests for your personal information; and offers to recover money that you've lost to scammers, for a fee.
- 7. Get all promises in writing.** Verbal agreements are hard to prove. Carefully read contracts or finance agreements and make sure you understand them before you sign.
- 8. Seek help for financial problems from legitimate sources.** It's illegal for companies that offer to reduce or settle your debts or help you avoid foreclosure to charge any fees until they've actually done what they promised. If you're struggling to pay your bills, try to work out a solution directly with your creditors. If that's unsuccessful, get real help. A non-profit credit counseling service can advise you about how to deal with your non-mortgage debts and may be able to set up a plan with your creditors to pay your debts off over a set period of time. To find a counseling service near you, contact the National Foundation for Credit Counseling, [www.nfcc.org](http://www.nfcc.org) or 800-388-2227. For help with mortgage problems, talk to a counselor certified by the U.S. government at 888-995-4673. More information about modifications is at [www.makinghomeaffordable.gov](http://www.makinghomeaffordable.gov).
- 9. Know your debt collection rights.** Under federal law you have the right to dispute debts that you don't owe, and many states prohibit action to collect debts after a certain number of years. Federal and many state laws also prohibit debt collectors from calling with annoying frequency, falsely threatening legal action, and discussing debts with people who aren't legally responsible for them.
- 10. When in doubt, check it out.** If you're not sure what your rights are or you think that something might be fishy, ask your state or local consumer agency\* for advice.

**\*FIND YOUR CONSUMER AGENCY:** City, county and state consumer protection agencies are listed on the Federal Citizen Information Center's Consumer Action website, [www.consumeraction.gov/state](http://www.consumeraction.gov/state).