

## **How to Protect Yourself: Credit Card Bills**

*Source: The Florida Attorney General's Office*

Congress has passed the Fair Credit Billing Act (FCBA) to help consumers resolve disputes with creditors over errors which appear on bills for their "open end" credit arrangements which include credit cards, revolving charge accounts (such as department store accounts), and overdraft checking. The Act does not apply to loans and credit which are paid according to a fixed schedule until the entire amount is repaid. The Act applies only to "billing errors" on the periodic bills or statements you receive (usually monthly) for your "open end" credit. The term "billing errors" includes:

- Charges not made by you or anyone authorized by you to use your account;
- Charges which are incorrectly identified or for which the wrong amount or date is shown;
- Charges for goods or services you did not accept or which were not delivered as agreed;
- Errors in the computation of charges or similar errors;
- Failure to properly reflect payments or credits, such as for returned merchandise;
- Not mailing or delivering bills to your current mailing address provided you have notified the creditor of the change of address at least twenty (20) days before the billing period ends;
- Charges for which you request an explanation or written proof of purchase;

If you believe you have a "billing error" on your periodic statement in line with any of the above situations, consider the following:

### **Call and Write the Company**

Sometimes a telephone call is all it takes to correct the problem. Make sure you keep a record of the date, person contacted, and subject matter of each telephone contact you have with the company. Note that a telephone call does not trigger the protection to which you are entitled under the FCBA. In order to do so, you must send a written billing error notice to the company which must reach the creditor within 60 days after the first bill containing the error was mailed to you. The letter you send must include your name and account number, a statement that you believe the bill contains an error and the dollar amount involved, and the reasons why you think the error exists. Your written notice should be sent to the address provided on your billing statement for billing error notices, not to the store unless the bill indicates that is where the notice is to be sent. It may be a good idea to send your notice letter by certified mail, return receipt requested, so that you have a record of the dates of mailing and receipt.

### **The Company's Response**

The FCBA provides that the creditor must acknowledge your notice in writing within 30 days after it has received it, unless the problem is resolved within that time period. In any case, within two billing cycles (but not more than 90 days) from the date the creditor received your billing error notice, it must conduct an investigation and either correct the error or explain why the bill is believed to be correct. If a billing error is found, the creditor must write you to explain the corrections to be made to your account. In addition to crediting your account with the amount not

owed, the creditor must remove all finance charges, late fees and other charges relating to that amount. If the creditor determines the bill to be correct, that you owe a portion of the amount or that you owe the entire amount in dispute, this must be explained to you promptly in writing. You do have the right to request copies of documents proving you owe the money.

### **Continued Disagreement**

If you still dispute the amount owed after the procedure set forth above has been followed, write the creditor within 10 days after receiving the Company's explanation and state that you still refuse to pay. At this point, the creditor may begin collection procedures.

### **Additional Rights and Remedies**

The FCBA allows consumers to sue a creditor who violates the Act and provides for certain restrictions on creditors which don't follow its procedures. The Federal Trade Commission (FTC) enforces the Act. While the FTC does not represent individuals in private disputes, it does take consumer complaints and questions about the Act. The FTC also has published a pamphlet which outlines in more detail your rights under the FCBA. Requests to the FTC should be directed to its Atlanta regional office at Suite 5M35, 60 Forsyth Street, Atlanta, GA 30303-2322, (404)656-1399.