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Consumer Advisory Bulletin

"Free" and "Low-Cost" Computers: Beware of Unexpected Costs

When it comes to computers, ads for "low-cost" or even "free" PCs may ignore the fact that unexpected conditions or restrictions can drive up your total expenses and nullify the so-called bargain price. Look into details before you leap for a bargain.

Many computer "bargains" require you to sign up for a specific Internet service -- sometimes for a long time at expensive rates. And low-price computers often depend on customers being able to collect on rebates. For example, a consumer may pay \$600 for a computer and be promised \$400 in rebates -- but rebates may be slow to arrive, may not materialize, or may require other costly expenses that don't make sense for you.

Check out all requirements and details if you are shopping for a computer:

- Are you required to sign up for Internet service, and for how long? If you have to sign up for three years of Internet service at \$20-30 per month, that cost alone could total over \$1,000 and nullify any bargain price for the computer.
- Will you have to pay long-distance charges to dial up the Internet service? Or do you have to pay an hourly fee for the service-provider's "toll-free" number? (Some service providers charge \$5-6 per hour to use their "toll-free" 800-, 877-, or 888-number.) If a computer rebate requires you to sign up for Internet service, check the access numbers and whether you will have to make long distance calls.
- Can you cancel the Internet service? If you cancel, do you have to pay back some or all of the rebate or pay a cancellation fee? (Most likely, you would have to keep the computer but pay full price without the rebate.)
- Are you required to spend your rebate check on other merchandise from the manufacturer or retailer?
- How soon will you receive your rebate check?
- Does the "low-cost" computer price include every critical component, such as the monitor and sufficient memory?
- Be cautious. Some offers for low-cost computers can be good deals, but others may be far more expensive than they look at first glance. Be sure to know the details.

For more information or to file a complaint, contact the Attorney General's Consumer Protection Division, Des Moines, Iowa 50319. Call 515-281-5926.

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