

# CONSUMER ADVISORY

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## So You Didn't Order That?

### *Protecting yourself from unauthorized credit card charges*

Life is full of surprises. And one of life's unwelcome surprises can happen when a charge shows up on your credit card statement that you didn't authorize. It may be the result of a simple billing error, or you could be the victim of a scam or fraud.

The Fair Credit Billing Act (FCBA) protects consumers from unfair and fraudulent charges on "open end" credit accounts, such as credit cards, and revolving charge accounts, such as retail store accounts. The law does not apply to debit cards or more traditional loans. The FCBA gives you the right to dispute credit card charges that are incorrect; you didn't authorize; for goods or services that you didn't receive or accept; or for goods or services that were not delivered as agreed or as promised (disputes about the quality of goods and services are not considered billing errors). You also have the right to dispute a failure to post payments and other credits, such as returns, and a failure to send bills to your current address.

**If you see an unauthorized charge, you should dispute the charge immediately.**

#### **Disputing an unauthorized credit card charge or billing error:**

- Write a letter to the creditor (send it to the address for billing inquiries, not the payment processing address). Include your account number, your full name, mailing address, a description of your dispute and copies of relevant receipts or documentation. Make a copy of your letter. Save that copy and your original receipts and documents.
- Send your letter via certified mail, and request a return receipt. Make sure that the creditor receives your letter within 60 days after the first bill that included the unauthorized charge was mailed to you.
- Continue paying for any other charges on your bill that you don't dispute (including finance charges on the undisputed amount), but you may withhold payment on the disputed charge and other charges related to the disputed amount.

#### **What happens next?**

- The creditor must acknowledge your complaint in writing within 30 days after receiving it. The creditor must resolve the dispute within two billing cycles of receiving your letter, or within 90 days.
- During the dispute, the creditor may not threaten your credit rating, report you as delinquent, or take legal or collection action against you.
- If there's an error, the creditor must explain the error and remedy in writing, credit your account, and remove any fees or charges related to the error. If the creditor agrees the charge was unauthorized, you won't have to pay more than \$50.
- If there's not an error, the creditor must explain it in writing. You will be responsible for the disputed charge, plus any finance charges. However, you still may file a complaint with the Attorney General's Office about the charge.

**It's very important to check your monthly bills and statements, particularly those involving credit cards and debit cards!**

To file a complaint or get more information, contact the Iowa Attorney General's Consumer Protection Division, Hoover Bldg., Des Moines, IA 50319. Call 515-281-5926, or outside Des Moines call toll-free at 1-888-777-4590. Our website is: [www.iowaAttorneyGeneral.gov](http://www.iowaAttorneyGeneral.gov).