

# CONSUMER ADVISORY

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## Cell Phone Contracts

Are you thinking about signing up for new wireless phone service, changing your wireless plan or changing carriers?

### New Plans

There are countless plans available, with different features to suit your usage needs. Do you think you'll spend a lot of minutes—or very few minutes—talking? Will you use the phone locally, regionally, nationally or even internationally? Will you use the phone mostly during the day, at night or on weekends? What about texting? If it's a smartphone, how much time will you spend on the Internet and how much data allotment do you think you'll need for uploads and downloads? Will others share your account, and how will they use their phones? How does the wireless provider charge when a phone exceeds monthly usage allotments for talking, texting or data usage? Ask friends and co-workers in your area about their wireless providers and their level of satisfaction.

### Contracts

Wireless providers typically encourage consumers to sign long-term contracts. In exchange for “free” or heavily discounted phones, providers will typically require a two-year commitment. If you cancel or switch providers before the contract expires, the contracts may impose a hefty early termination fee, which could be several hundred dollars per phone line. Be sure to understand what's in the written contract, as opposed to what someone verbally claims or promises. Written contracts override verbal representations and promises.

- Read the contract and any other documents that the carrier claims will govern your agreement. Clarify any terms you don't understand, including claims you see in promotional materials.
- If you are paying a promotional rate, be sure you understand the duration of the promotion and how much costs will increase after the promotional rate ends.
- Find out exactly what it will cost to cancel or change your plan before the contract expires. Find out how the provider prorates its early termination fees.
- Ask for a coverage map, and ask about extra charges for roaming outside of the home service area. Be sure you understand how you know whether you are roaming.
- Ask about the trial period, which enables you to cancel and seek a refund without an early termination fee. When you first get your new phone, make sure you are satisfied with it and also your wireless carrier's service. Test your phone in places where you'll most likely use it.

### Early Termination & Contract Changes

- Know when your contract expires. If your carrier makes a promotional offer before your contract expires, ask whether it requires you to extend your agreement.
- Your wireless provider may not require you to sign a new contract if you extend or make changes to your existing plan, including upgrades. Be sure you understand the terms if you change or extend your agreement.
- Ask what you need to do to end, continue or change your agreement at the end of the contract. It's possible that your provider will automatically renew or extend your agreement unless you ask to terminate it.
- Men and women who are serving on active duty in the U.S. military, including members of the National Guard and Reserves called to active duty status, can suspend long-term contracts when deployed for at least 90 days, or when permanently transferred, if the change results in an inability to use the service or an inability to satisfy the terms of the contract.

### Pre-Paid Phones & Plans

- You may avoid facing early termination fees if you buy the phone up front at full price.
- Pre-paid and monthly phone service is not subject to long-term contracts.