

Skills for Living

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Topic 19-5

Consumers and the Law

- In this topic, you will learn about your consumer rights and responsibilities, as well as
 - ❖ Consumer protection laws
 - ❖ Protecting your privacy
 - ❖ Consumer rights and responsibilities

Consumers and the Law

Objectives for Topic 19-5

After studying this topic, you will be able to

- identify consumer protection laws
- practice techniques for protecting your privacy
- describe your consumer rights and responsibilities

Topic 19-5 Terms

❖ Food and Drug Administration (FDA)

❖ Consumer Product Safety Commission (CPSC)

❖ recourse

Consumer Protection Laws

- The *Truth in Lending Law* requires creditors to provide a complete account of credit costs and terms
- The *Equal Credit Opportunity Act* protects people from discrimination because of sex, marital status, race, religion, or age
- The *Fair Credit Billing Act* states the rules by which billing disputes must be settled
- *The Fair Credit Reporting Act* protects consumers against inaccurate credit records

Protecting Your Privacy

- You have the right to decide who has access to your personal information
 - ❖ Be wary of sharing your social security number or credit card numbers
 - ❖ Ask your bank to notify you in writing when someone wants to check your records
 - ❖ Check your bank records carefully
 - ❖ Use secure Web sites when placing online orders

Identity Theft

- *Identity theft* occurs when someone wrongfully obtains and uses another's personal information in a way that involves fraud
- To prevent identity theft
 - ❖ memorize your social security number and keep your card in a safe place—not your wallet
 - ❖ cut up old credit cards before discarding
 - ❖ do not choose obvious PIN numbers, such as your phone number or birthday

Fraud

- *Fraud* is a deliberate misrepresentation that causes another person to suffer damages, usually the loss of money
 - ❖ *Telemarketing schemes* involve using the phone to take money from victims
 - ❖ *Pyramid schemes and chain letters* depend on a continuing supply of people investing in the system
 - ❖ *Internet fraud* has the potential to reach victims anywhere in the world

Consumer Rights and Responsibilities

■ Consumer rights

- ❖ protect the consumers and producers
- ❖ benefit the whole economic system
- ❖ involve certain consumer responsibilities

The Right to Be Informed



- **Right:** to receive accurate information about products and services from reliable sources
- **Responsibility:** to seek and use reliable information about products and services

The Right to Selection

- **Right:** to choose the products you want
- **Responsibility:** to make wise choices
 - ❖ A *monopoly* is a market situation in which only one company offers a product, so there is no competition

The Right to Performance



- **Right:** to expect the product you buy will perform as it should
- **Responsibility:** to use the product as it is meant to be used

The Right to Safety

- **Right:** to be protected against harmful products
- **Responsibility:** to use products safely, follow instructions, and report hazards
- The *Food and Drug Administration (FDA)* regulates the production, packaging, and labeling of food, drugs, and cosmetics
- The *Consumer Product Safety Commission (CPSC)* sets and enforces safety standards for consumer products and handles consumer complaints

The Right to Recourse

- **Right:** to express dissatisfaction and have action taken on your complaint
- **Responsibility:** to bring problems to the attention of the providers of goods and services
- *Recourse* is asking for help

The Right to Recourse

- Private and government agencies to contact for help with consumer problems include
 - ❖ chambers of commerce
 - ❖ Better Business Bureaus (BBB)
 - ❖ media complaint desks
 - ❖ licensing boards
 - ❖ state government consumer protection divisions
 - ❖ small claims courts
 - ❖ private or public legal services

Resolving Consumer Problems

- Contact the place where you bought the product or service
- Write a letter to the manufacturer
- Contact a consumer protection agency



Summary for Topic 19-5

- Consumers must understand their rights and be prepared to exercise them
- Consumers have the right to information, selection, performance, safety, and recourse
- Consumers must recognize that rights carry basic responsibilities

Summary for Topic 19-5

	Right	Responsibility
Information	To receive accurate information	To seek and use reliable information
Selection	To choose the product you want	To make wise choices
Performance	To expect the product to perform as it should	To use products as they are meant to be used
Safety	To expect protection from harmful products	To use products safely
Recourse	To be able to ask for and receive help	To voice your dissatisfaction