

The Legal Rights of Women in Vermont

Consumer Protection & Fair Credit

Chapter 2

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Consumers have substantial protections under both federal and Vermont law against unfair business practices. Women should know these protections to avoid poor outcomes.

Consumer Fraud Protection and Recovery

Protect yourself against fraud by guarding personal information—such as your Social Security number, date of birth, bank account number and credit card numbers.

Never disclose personal information over the internet, telephone, or through the mail unless you initiated the contact AND you know the person or business at the other end.

Scammers ask for money in return for promises of money, jobs, romance, marriage or other perceived needs.

Never send money to someone that you don't know personally. Do not send money to third parties.

Telemarketing

Callers trying to sell goods or services over the telephone are called **telemarketers**. Computer-generated calls are called “robocalls.”

Scammers can trick CallerID, often pretending to be a local utility, the Internal Revenue Service (IRS), or other important organizations. Don't trust CallerID.

Utilities and the IRS do not make threatening phone calls. If you receive such a call, do not engage. If you are concerned that you might owe some money, hang up. Look up the correct number for the organization and call that number yourself.

There are limited protections against these robocalls and scammers. If you are getting calls on your cell phone, there are smartphone apps designed to block these calls. Telecommunications carriers are working for more effective solutions.

If you want to reduce telemarketing calls, you can register your number with the Federal Trade Commission's (FTC) “**Do Not Call**” List at donotcall.gov or by calling toll-free 888-382-1222. Call from the number you wish to register.

If you received a telemarketing call that you believe is covered by the Do Not Call List after you have registered your phone number, you can file a complaint at donotcall.gov using the Report Unwanted Calls page.

You can tell companies or charities not covered by the federal list to put your phone number on their own “Do Not Call” list.

Scams

Scams and fraud cost Vermonters hundreds of thousands of dollars every year. Scammers use every tool available to steal money and information from consumers. Scams often originate overseas and use sophisticated technology, and are challenging for traditional law enforcement to stop.

The Vermont Attorney General operates the Consumer Assistance Program (CAP) to protect and assist Vermonters. Vermonters can sign up to receive instant scam alerts by text, voice or e-mail message from the Attorney General about new scams as they hit Vermont. Sign up to receive scam alerts by calling the CAP at 800-649-2424 or by visiting uvm.edu/consumer.

If you or someone you know are being targeted by scammers, act to prevent loss. There are a few simple steps you can take:

- **Hang up** - Scammers will try to keep you on the phone. The best way to avoid getting scammed is simply to hang up the phone. Don't try to talk, just end the call: if the conversation is online or by text/email, stop responding and block the sender immediately;
- **Call CAP** - Whether you need help for yourself or someone else, CAP is available to help. Outside of normal business hours, send an e-mail or leave a voice message. If you need immediate assistance, contact your local law enforcement agency or call 2-1-1 for information and referrals to other helping agencies. If a large amount of money is involved, time is of the essence;
- **Stop payments** - If money has been sent (by wire transfer, mail, gift card, or any other means), contact the bank or institution you sent it through right away to stop the money before it is picked up.

Identity Theft

Identity theft occurs when someone uses your personal information for their own personal gain. Identity theft can happen in a variety of ways. Some examples of how your personal information might be stolen include:

- A thief stealing your wallet or purse containing your ID, credit or bank cards;
- Someone stealing your mail containing personal information such as bills or bank account statements;
- Someone rummaging through your trash to find discarded documents containing personal information;
- Someone obtaining personal information you shared over the Internet. For example, financial information you sent in an e-mail to someone posing as a bank or government employee; or
- Someone hacking into your email or into a computer database with your information in it.

Take the following steps to avoid identity theft:

- Keep all items with personal information in a safe place.
- Before you throw away papers with personal information, shred or tear them.
- Install two-factor authentication for your email. Two-factor authentication requires a number generated on your cell phone in order to log into your email, thus preventing someone who has just your password from accessing your email.
- Don't carry your Social Security card. Give your Social Security number only when it is absolutely necessary and then only to a business that you yourself contacted.
- Don't give personal information over the phone, through the mail or over the Internet unless you've made the contact and know the recipient.

- Check your bank statements carefully every month to ensure that you authorized all withdrawals.
- Review your credit reports annually to check for irregularities in your credit.

If you find yourself the victim of identity theft:

- Immediately close any accounts that have been tampered with or opened without your consent;
- File a police report, and file a complaint with CAP;
- Place fraud alerts on your credit reports and review your credit reports;
- Keep copies of all papers and police reports relating to your identity theft, and;
- Keep a record of all contacts you've made.

For more information on how to report and recover from identity theft, visit the Federal Trade Commission's website: identitytheft.gov.

Contests and Prizes

Vermont law prohibits deceptive practices in respect to contests, games of chance, games of skill, sweepstakes, giveaways or other promotion. In these situations, no one can:

- Tell you that you are a “winner” or “selected” as part of a promotional scheme;
- Require you to purchase anything, pay an entry fee or service charge to enter or remain eligible;
- Mislead you as to your chances of winning, the number of winners, the value of the prizes, or the availability of prizes;
- Indicate that you are a “winner” or have been “selected” when it is a promotional scheme in which many or all of those “entering” receive the same “prize” or “opportunity.”

Sports Fantasy Games

There is an exception and special rules for fantasy sports games. Fantasy sports games are “virtual games” on the Internet. The games have rules set by the operator of the game. Vermont law requires anyone playing fantasy sports to be an adult. The company must limit and disclose the number of people entering. The company must prevent those using computer algorithms from having a competitive advantage. The fantasy game should allow only one account per player. The fantasy game should allow the player to restrict her own participation, and to give those who do information regarding addiction and compulsive behavior. A player must be able to see their history, including money spent, games played, and prizes awarded. A fantasy sports game may award cash prizes.

Gift Cards

Gift certificates must be valid for at least five years. If no date is indicated, the gift certificate does not expire. However, gift cards not tied to a cash value, such as for a yoga class, may not be subject to this rule.

Paid Fundraising

Charities and other nonprofits may ask you for a donation. Often, the person who contacts you is a paid fundraiser working for a business paid to solicit donations. The bulk of the donations may go to the commercial fundraisers, not the nonprofit. Be cautious and make informed decisions about your giving.

Vermont's Charitable Solicitations Law regulates the activities of paid fundraisers in Vermont. Before you donate, paid fundraisers must tell you that:

- They are being paid to solicit donations; and
- You may contact the CAP Attorney General's office to find out what percentage of the money collected will go to the fundraiser and what percentage will go to the charity.

Additionally, paid fundraisers cannot use unfair or deceptive practices to solicit contributions. Some examples of unfair or deceptive practices include misrepresenting the fundraiser's identity, the fundraiser's affiliation, how the donation will be used, or how past donations have been used.

Take steps to ensure your money goes where you intend:

- Do not allow a charitable solicitor to pressure you into donating over the phone. A legitimate charity will always be willing to give you time and send you additional material to help in your decision-making process. Ask to have the information sent to you.
- Never donate in cash. Use a check or credit card made payable to the charity, not to the individual solicitor.
- Beware of organizations that have similar sounding names to those of well-known and respected charities.

CAP can also tell you if any complaints have been filed against a charity or a commercial fundraiser.

Home Heating Fuels

Vermont does not regulate the *price* of heating oil, kerosene or other fuels used for heating. However, Vermont law does provide protections on "**pre-buy**" contracts. For pre-buy contracts, the law requires fuel dealers to:

- Use a written contract;

- Disclose the amount you paid and the maximum number of gallons to which the dealer is committed;
- Obtain a surety bond, letter of credit or a fuel-futures contract to protect your purchase;
- Reimburse you within thirty (30) days of the end of the contract for any unused portion, unless you agreed otherwise.

Vermont law regulates many aspects of propane fuel suppliers. A propane supplier cannot disconnect **propane service** without your consent, unless:

- You are delinquent in payment of more than \$60;
- Your bill is at least 60 days past due;
- The gas company has provided you with an opportunity for a reasonable repayment plan for the delinquent bill; and
- The gas company has provided you with a notice of disconnection between fourteen (14) and thirty (30) days before disconnection.

There are additional provisions that prohibit disconnection of service:

- When the disconnection would cause an immediate and serious hazard to you or your family’s health during the heating season (you would be required to present a physician’s note);
- When the delinquent charge or bill is more than two (2) years old;
- When you are following the terms of your repayment plan; or
- When the propane supplier has not made reasonable attempts to give oral notice of disconnection during the heating season, if gas is your primary heating source.

New Car Lemon Law

You have the right to return a new car for a new replacement car if you purchased a “lemon.” You can also get a cash refund.

A “lemon” is a car that cannot be properly repaired after a “reasonable number of attempts.” The car is a lemon if it had:

- Three unsuccessful repair attempts for the same problem, so long as the first attempted repair occurs during the warranty period; or
- The car is out of service for a total of thirty (30) or more days during the warranty period.

The **New Motor Vehicle Arbitration Board** resolves warranty issues. To pursue your rights, you must file a claim within one year of the expiration of the manufacturer's written warranty. Contact the Vermont Motor Vehicle Arbitration Board to receive more information. ([See VCW's Resource Directory – Consumer Issues section.](#))

Home Improvement Fraud

The key qualities of any contractor are skill, reliability, efficiency, and honesty. Here are some tips for hiring a contractor to do work at your home:

Research a proposed contractor by word-of-mouth, online resources, and by other credible contacts BEFORE agreeing to any work.

- Before hiring a contractor, contact CAP to find out if complaints have been filed against the contractor.
- Get a written, signed agreement.
- Put little-to-no money down except for materials that are delivered to your site.
- Pay only for work that has been completed.
- Have an agreed “hold-back” until all work is satisfactorily completed.

Vermont has criminal penalties for home improvement fraud. If you believe you have been the victim of home improvement fraud, contact CAP and contact your local police.

The State registry of all persons who have been found guilty of committing “home improvement fraud” is available on the Attorney General's website, find the link [here](#).

Three-Day Right-to-Cancel

If you are contacted by a business at your home or over the phone, Vermont law requires that you be given notice that you have three business days to cancel any agreement. If you have not received this required notice, you may be able to cancel your purchase or contract.

Discount Membership Programs

Vermont requires businesses that offer membership for discount programs to disclose:

- The goods or services eligible for a discount and the amount of each discount.
- The cost and length of the program; the length cannot be more than 18 months.
- That you have 30 days to cancel and receive a full refund, from the time that you receive the notice.
- How often you will be charged and the method of payment.
- Contact information for the program and instructions on how to cancel a membership.

Rent-To-Own Items

Vermont limits rent-to-own prices by limiting the markup on merchandise to 75% to 150%, depending on the item. Small electronics and appliances are limited to a 75%

markup over cost, whereas larger electronics and other items may be marked up 100% over cost. Furniture can be marked up 150% (cost plus 150% of cost). The seller must disclose all charges, the additional cost of rent to own, the number and amount of payments, and the total price.

Rent-to-own companies must also state whether the item is new or used. Used items must be priced 10% lower than the same item sold as new. The seller must disclose existing damage, when the seller acquired the item, and the number of previous customers who had the merchandise.

Consumers have rights even when they default. If the item is returned, there is a six-month window to reinstate the agreement.

Third-Party Telephone Billing

Vermont law prohibits “cramming.” Cramming is when an unrelated company puts charges on your telephone bill. Here are the only exceptions:

- Services regulated by the Vermont Public Service Board;
- Direct-dial services that you initiate (such as a 900 number); and
- Operator-assisted telephone calls, collect calls, or telephone calls to or from correctional center inmates.

Illegal Lending

Payday loans are illegal in Vermont. Interest on other loans is capped at 24% annually. The exception is credit cards, which can exceed 24% because they are usually subject to federal law. Lenders in Vermont must be licensed and must follow all other requirements included in Vermont statutes. Debt collectors cannot attempt to collect debts that are a result of an illegal loan.

Addressing Consumer Fraud

The Vermont Attorney General’s Office’s Consumer Protection Unit investigates and prosecutes businesses that violate Vermont’s consumer protection laws. Contact CAP for more information on any consumer topic. Contact CAP if you want to file a complaint about a business or want complaint histories for a business. Help others by reporting attempted scams to CAP.

You also have rights to file your own legal action. Vermont’s consumer fraud law allows individuals to recover attorney’s fees if they win a consumer fraud suit.

Credit Transactions

Credit Discrimination

Both federal and state law prohibit banks and other lending institutions from treating any applicant differently based on their race, color, religion, national origin, sex or marital status, age, or because the applicant receives public assistance. Additionally, Vermont law prohibits discrimination because of sexual orientation.

Debt Collection Practices

A creditor or debt collection agency acting on a creditor's behalf may contact you when you fail to pay a debt such as your credit card, your home mortgage or a personal loan. However, when collecting a debt, your creditor, an attorney or a third-party collection agency cannot engage in certain abusive debt collection practices. Debt collectors may:

- Not misrepresent who they are or who they work for;
- Not falsely imply the amount of the debt or any legal action that can be taken;
- Only contact you between 8:00 a.m. and 9:00 p.m.;
- Not continually call your phone or harass you. During a phone call, a debt collector must identify him/herself and may not threaten violence against you or your family or use profane language;
- Only contact you at work if he or she cannot reach you at home in between 8:00 a.m. and 9:00 p.m.;
- Not call you more than one time a week at work and must stop calling you at work if you tell the debt collector not to contact you at work.

You have additional rights if your debt is being collected by a debt collection agency or an attorney who collects debts on a regular basis. These rights include:

- You must receive written notice containing the amount of the debt, the name of the creditor, and what action you may take if you do not believe you owe the money;
- You can stop future contact by writing a letter telling the debt collection agency or attorney to stop. Once an agency receives your letter, it may not contact you again except to say there will be no further contact or to notify you if the agency or the creditor intends to take some specific action, such as filing a lawsuit against you. You should send the letter by certified mail, return receipt requested, so that you have evidence that you sent the letter and that it was received by the agency.

A collector may not contact you if, within 30 days after you are first contacted, you send the collection agency a letter stating you do not owe the money. However, a collector can renew collection activities if you are sent proof of the debt.

If you receive a suspicious debt collections call:

- Always ask the debt collector to provide you with written documentation that substantiates the debt they are trying to collect; and
- Contact the original creditor and ask whether the debt has been paid. If it has not, confirm that the debt was sold to a third-party collector and verify the identity of the debt collector.

Credit Bureaus and Consumer Reporting Agencies

Federal and state laws ensure the accuracy and privacy of information kept by credit bureaus and consumer reporting agencies. These laws provide greater protection and control to you over the information credit bureaus and consumer reporting agencies are distributing about you to creditors, insurance companies, and employers.

The federal **Fair Credit Reporting Act** provides that:

- You must be told if information in your credit report has been used to take adverse action against you and the name, address, and phone number of the credit reporting agency that provided the information.
- You have the right to request and obtain all the information about you in the files of a consumer reporting agency. **All consumers are entitled to a free copy of their credit report, at their request, once every 12 months from each of the nationwide consumer reporting companies — Equifax, Experian, and TransUnion.** AnnualCreditReport.com is a centralized service for consumers to request free annual credit reports.
- You have the right to dispute incomplete or inaccurate information in your file. Your claim must be investigated unless it is frivolous.
- Consumer reporting agencies must correct or delete inaccurate, incomplete or unverifiable information – usually within 30 days.
- Consumer reporting agencies cannot report most negative information that is more than seven years old and bankruptcy information that is over 10 years old.
- Identity theft victims and active duty military personnel have additional rights.

Vermont law also allows you to receive one free copy of your credit report every 12 months from each credit reporting agency. The credit report must include your credit score; the names of people requesting information in your credit report during the prior 12-month period and the date of each request; and a clear explanation of the information.

For security reasons, you will need to verify your identity in order to obtain your free credit report. You will be required to provide your name, date of birth, Social Security number, and current address. If you have not lived at your current address for at least two years, you will need to provide your previous address as well.

Relevant Laws

Vermont:

Vermont Debt Adjusters Act, 8 V.S.A. ch. 133

Charitable Solicitations, 9 V.S.A. §2471

Consumer Protection Act, 9 V.S.A. §2451, et seq.

Lemon Law (New Motor Vehicle Arbitration Act), 9 V.S.A. §4170, et seq.

Vermont Attorney General Consumer Protection Rules 104, 109, 112, 111, & 113

Federal:

Telemarketing and Consumer Fraud and Abuse Prevention Act, 15 U.S.C.A. §6101, et seq.

Equal Credit Opportunity Act, 15 U.S.C.A. §1691, et seq.

Fair Credit Reporting Act, 15 U.S.C.A. §1681, et seq.

The Fair and Accurate Credit Transactions Act (FACT Act)

Federal Trade Commission Rules

Telemarketing Sales Rule – 16 C.F.R. pt. 310

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