At the South Carolina Department of Consumer Affairs, it has become clear that certain stories get told and retold, and are accepted as truth. These 'urban legends' are modern day myths that are mistakenly passed from consumer to consumer, and can lead to unhappy endings if they are allowed to persist.

We have compiled a list of the top ten most widely held beliefs about consumer law that simply are NOT TRUE…

Fast Facts for Consumers:

Ten Consumer Urban Legends

presented by

The SC Department of Consumer Affairs

urban legend #10:

"If my credit cards are lost or stolen, I'm liable for all the purchases the thief might make."

- The best kind of insurance is to keep copies of your cards, their expiration dates, and toll-free numbers locked away in a safe place.
- To prevent card fraud, check your billing statements carefully even if your card is not missing.
- Report missing cards promptly so that your liability and that of the card company, is limited.

urban legend #9:

"An auto lease is like any other rental. If I have problems with the car, or with problems paying, I can just bring it back."

- Most automobile leases resemble installment sales transactions more than month-to-month rental contracts – The lessee commits to a stream of payments that last the duration of the lease.
- If the customer returns the vehicle earlier than stated in the contract, he or she may risk incurring punitive "early termination" or mileage penalties.
- The dealer may sell the vehicle at auction and report the transaction as a default – which can hurt your credit.

urban legend #8:

"You can't repossess my car; it's on private property!"

- Repossessors can and do enter private property to repossess collateral.
- Unless they enter a dwelling or repossess in a way that breaches the peace (causes violence or a threat of violence), they are probably repossessing legally.
- The property owner may have a technical claim of trespass, but unless the property is disturbed in some way, the damages will be nominal.

urban legend #7:

"The Creditor told me that a voluntary repossession would look better on my credit report."

- Although turning in the car or other collateral may stop the creditor from contacting or harassing the consumer, it will not help the consumer's credit record.
- Most credit reporters list cars that the consumer brought in the same way they record the ones towed in by the repossessor: as a repossession.

urban legend #6:

"It says here I've already won; they couldn't say that if it weren't true!"

- Don't believe everything you read and hear!
- Read the fine print!
- Watch out for up-front costs like entry fees or service charges, or add-on costs like 'sweepstakes taxes' or 'ticket sales fees'.
- Calling a claims line may cost you too – some so-called prize offers require you to phone in to claim your prize – for an average of $3.00 per minute!
- Remember: real sweepstakes don't require you to pay to win!

Urban legend #5:

“My Creditor can’t call me at work!”

- There is ***no law*** that directly prohibits a collector from calling a debtor employee at work.
- However, it is prohibited for the creditor to phone the employer and discuss the debt with the employer or any third party.
- Creditors also cannot call the debtor anywhere repeatedly with the intent to harass him or her.
- Consumers or their employers can write the creditor and specifically ask that the creditor stop calling the job.

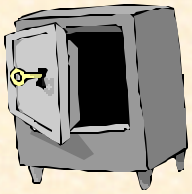
Urban legend #4:

“If the car stops working, I can stop paying.”

- If a car stops working, a buyer can assert a breach of warranty against a financier, but it should be done with notice to the financier after the dealer and manufacturer have made attempts to repair the vehicle.
- Payments <u>should continue</u> while the dispute is being resolved.
- If the consumer simply stops paying for the vehicle without notifying the financier, the result may be a repossession – which could affect the consumer's credit.

Urban legend #3:

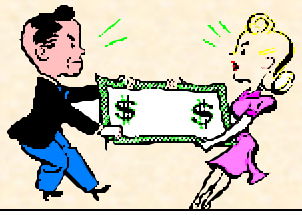
"My credit report is confidential."



- It is true that federal law restricts the use of consumer reports to a business need for the information related to credit, insurance or employment.
- However, it is common for persons to improperly access the information by merely *claiming* to have a legitimate business need.
- All sorts of data other than credit reports are being bought and sold every day – legally and illegally.
- The best way to keep your information private is to ask about privacy policies and to keep a careful watch over what information you give to businesses and sites.

Urban legend #2:

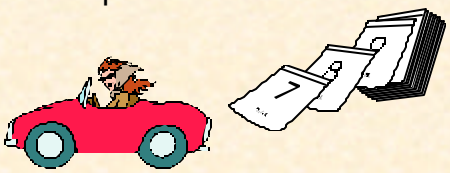
"If the Judge orders my ex to pay the credit account, I'm off the hook!"



- **An order to pay off credit by a Family Court may be valid and enforceable between the spouses. If violated, it can result in a contempt citation.**
- **However, courts cannot impair the obligations on existing contracts with a third party.**
- **Remember, if your signature is on the contract, you still are under obligation to the creditor. An order from a court cannot unbind you from your contract you entered into during the marriage.**

Urban legend #1:

"I can return my car within three days of the date of purchase!"



This myth is so widely believed that the Department actually gets calls from lawyers requesting for a citation to the statute – which, of course, does not exist.

There *are* several other statutes that provide limited cooling-off periods for other consumer related situations – but not for automobile sales.

As soon as you sign the contract on an automobile sale, you are obligated to make **all the payments.**