

EXTENDED WARRANTIES: BAH-HUMBUG!

Trap

Jim Tyler traveled from Tequesta to the county Consumer Affairs office to vent his concerns. "I can't believe it! I just bought my TV from them!" (A national electronics store chain). "I also got a three-year warranty the salesperson suggested. Then I read in the newspaper they filed bankruptcy! Who's going to honor the warranty? Can I get my money back? Don't they have to say something about their bankruptcy? How can they still sell warranties?"

Tips

In today's difficult economy, some retailers are filing bankruptcy under Chapter 11 which means they are reorganizing. It gives businesses time to make changes to avoid going out of business. The company may be around for many years. Stores in financial difficulty are not required to reveal an impending bankruptcy and can still sell extended warranties. Use these tips when considering an extended warranty.

- Extended warranties are really service contracts. If it comes free with the product, it is a warranty. If you pay for it, it is a service contract.
- Some consumer agencies recommend against buying service contracts saying the manufacturer's warranty is usually sufficient. Consider buying a service contract at the end of the manufacturer's warranty.
- While it is usually possible to cancel a warranty, often there are numerous steps to getting your money back. A refund may be full or prorated. There may be a cancellation fee. If the warranty cost was included in your financing, refunds may be applied to the loan.
- The service company is often different from the retailer selling the warranty. Ask questions about the product and the warranty. Read any printed information available from the store and do some Internet research.

Warranty issues or you were refused a refund?

**For more information, contact Consumer Affairs at 561-712-6600
(Boca/Delray 888-852-7362 toll free) www.pbcgov/consumer**