

FTC Consumer Alert

Federal Trade Commission ■ Bureau of Consumer Protection ■ Office of Consumer and Business Education

Take Charge of Your Credit

The holiday shopping season is in full swing. Whether you're shopping online, by phone or at the mall, chances are you'll use a credit card for some of your purchases. The Federal Trade Commission offers these tips to keep in mind when you shop.

1. Keep track of your spending.

- \$ Incidental and impulse purchases add up. Remember credit cards are just like loans — you have to pay what you owe. Owing more than you can repay can damage your credit rating. That can make it hard to finance a car, rent an apartment, get insurance — even get a job.
- \$ Pay your bill on time, and in full, if possible. If you don't, you'll have to pay finance charges on the unpaid balance — and it takes forever to get caught up if you just pay the minimum.

2. Keep an eye on your card and account number.

- \$ Never lend your credit card to anyone because you're responsible for paying the bill. Any problems with the bill can damage *your* credit rating.
- \$ Don't sign a blank charge slip. Draw a line through blank spaces on charge slips above the total so the amount cannot be changed.
- \$ Never put your account number on the outside of an envelope or a postcard.
- \$ Be cautious about disclosing your account number over the phone unless you know you are dealing with a reputable company.
- \$ Carry only the cards you anticipate using to help prevent loss or theft.
- \$ If your credit and ATM cards are lost or stolen, report it to the card issuers as quickly as possible. Many companies have toll-free numbers and 24-hour service to deal with such emergencies. Follow up with a letter, including your account number, when you noticed the card was missing, and the date you first reported the loss.

3. Keep good records

\$ Save your receipts. Compare them with your monthly bill. Promptly report problems to the company that issued the card. Usually, your statement will provide instructions for disputing a charge.

\$ If you order by mail, phone or online, keep copies or printouts with details about the transaction, including any warranties, or return and refund policies if you're not satisfied. You should have the company's name, address, phone number, the date of your order; a copy of the order form you sent to the company or a list of the items ordered and their stock codes, the order confirmation codes and the ad or catalog from which you ordered.

The FTC works for the consumer to prevent fraudulent, deceptive and unfair business practices in the marketplace and to provide information to help consumers spot, stop and avoid them. To file a complaint or to get free information on consumer issues, call toll-free, 1-877-FTC-HELP (1-877-382-4357), or use the online complaint form. The FTC enters Internet, telemarketing, identity theft and other fraud-related complaints into Consumer Sentinel, a secure, online database available to hundreds of civil and criminal law enforcement agencies in the U.S. and abroad.

December 2001