

Dealing with Billing Errors

Fair Credit Billing Act (1974)

The Act sets up a procedure for the quick correction of mistakes that appear on consumer credit accounts.

You can write to the creditor at the address given for “billing inquiries” not the address to where you send payments and include your name, address, account number and a description of the billing error i.e. unauthorized purchases, charges for items that were never delivered, failure to credit a payment, etc.

You must notify the creditor of a disputed item within 60 days.

Creditor must investigate and, within two billing periods, either correct the mistake or explain why the charge is not in error.

You cannot be billed for or forced to pay the disputed amount until the creditor had finished the investigation.

If it is determined that you are responsible for the bill, you must be given the usual amount of time to pay it.

Your credit history is protected during the dispute process.

Creditors must supply customers with a statement of their rights at the time the account is opened and at least twice a year thereafter.

Other Credit Card Protections

Prompt credit for payment

A card issuer must credit your account on the day the issuer receives your payment, unless the payment is not made according to the creditor's requirements.

Refunds of credit balances

When you return merchandise or pay more than you owe, you have the option of keeping the credit card balance on your account or receiving a refund.

Unauthorized charges

If you report your card lost before it is used, you cannot be held responsible for any unauthorized charges.

If your card is used before you report it lost, you are liable for \$0 if reported within two business days. After that, you're liable for no more than \$50.

Disputes about merchandise or services

In some circumstances, you have the right to withhold payment for unsatisfactory merchandise or services.