

Consumer Law Wikibook

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Problems with a Purchase



This page is used in the Consumer Law Lesson Module, a law-related ESL lesson for newcomers to Canada.

Suppose you bought something and you are not satisfied with it. What can you do? You have the right to make a complaint when something that you bought:

- did not do what it said it would do, or
- was not of satisfactory quality, or
- was not as described.

However, you also have the responsibility to find out a store's policies before you buy, and take proper care of things you buy and follow the instructions to use them.

How do I start a complaint?

Step 1: Collect the information

For example:

- Prepare a description of the *goods* you bought. This can include anything the seller said to you about the goods, anything the seller advertised, or anything the seller gave you in writing.
- How much you paid, and receipts or other proofs of purchase.
- Copies of any documents, for example, a *warranty*.
- Details of the problem:
 - what the problem is with the goods you bought,
 - when you first noticed the problem, and
 - how long you have had the goods, or if you have not had the goods at all, when you were supposed to receive them?

Step 2: Be ready to keep notes on what happens

- *Who* did you talk to? (Ask for the person's name or title — sales clerk, manager, etc.)
- *When* did you talk to them?
- *What* did you tell them:
 - about the problem, and
 - about what you want them to do?
- *What* did they say to you?
- *What* was the next step that:
 - you said you would take, or
 - they said they would take?

Step 3: Let the company know you have a problem

The first step is to find the right person to talk to about the problem. You may contact the store or company in person or you may make a phone call. Have your information with you. You could start with something like this:

*My name is _____. I would like to make a complaint about the product I bought from your company.
Could you direct me to the person who handles complaints?*

They may tell you that you have to make your complaint in writing. If they do this, ask for the name and address you send the letter to.

The Canadian Consumer Information Gateway has a Complaint Roadmap, an information tool that provides a step-by-step approach to help you present your complaint to a business. The Roadmap includes a sample complaint letter that you can use to develop your letter. Visit www.consumerinformation.ca ^[1] and look under "Complaint Roadmap."

Steps to make a complaint

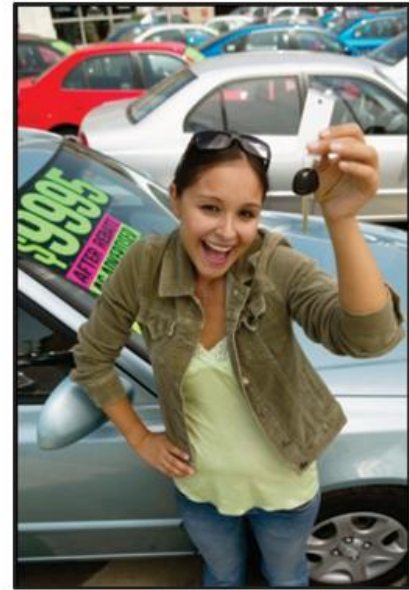
There are three steps to make your complaint. You can use them if you make a complaint in person, by phone, or by letter.

Step 1: Explain the problem

You can say something like this:

*I bought my _____ (the item you purchased) on _____ (date), at _____ (location).
The model number is _____. I am contacting you because the product is: (choose one)*

- *not working right*
- *cannot do what it is meant to do*



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Step 2: Explain what you want

You can say something like this:

I think it is only fair that you: (choose one)

- *replace the product*
- *provide me with a refund*
- *repair the product free of charge*

The person from the store or company may agree to do what you ask for.

In this case, ask *when* they will do this.



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If the person does not agree to do what you ask for, ask to speak to the manager of the company or to the head office. Get the phone number or the address. If you do not get what you want from the store or company, tell them what you will do next. You can say something like this:

I still hope we can reach an agreement on this. If not, I will stop buying from your company and I will tell other people about this problem. If I do not hear from you by _____ (give a date) my next step will be to: (choose one or more)

- *file a complaint with the Better Business Bureau*
- *contact Consumer Protection BC*

Then give your details:

- *You can reach me at _____ (your address). I'll be waiting to hear from you by _____ (date).*

If you do not hear back, take the next step. Do what you have told the store or company you will do.

Step 3: File a complaint


If you still do not get a satisfactory response from the store or company, you can file a complaint. One option you have for filing a complaint is the Better Business Bureau (BBB), which receives complaints about local businesses. Visit mbc.bbb.org/consumers ^[2] and look under "Complaints."

You may also contact Consumer Protection BC for information ^[3] and referrals ^[4] on where you may file a complaint about a specific business type.

Small Claims Court

If you cannot solve the problem, your next step may be to make a claim in *Small Claims Court*. To find out how to make a claim in Small Claims Court, go to www.clicklaw.bc.ca ^[5], and type in "Small Claims" in the search box. The site links you to a video about Small Claims Court ^[6] available in Chinese, Punjabi, Vietnamese, and English, among other resources.

✓ The above was last reviewed for legal accuracy by People's Law School, 2013.

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References

- [1] <http://www.consumerinformation.ca>
- [2] <http://mbc.bbb.org/consumers>
- [3] <http://www.consumerprotectionbc.ca/consumers-alias/resolving-problems>
- [4] <http://www.consumerprotectionbc.ca/consumers-alias/help-for-how-can-we-help>
- [5] <http://www.clicklaw.bc.ca>
- [6] <http://www.clicklaw.bc.ca/resource/1514>

Problems with Home Repairs



This page is used in the Consumer Law Lesson Module, a law-related ESL lesson for newcomers to Canada.

Suppose you hired someone to do renovations on your home. You agreed to hire the person, and he or she agreed to do the work. That is a *contract*. A contract is a legal agreement. It can be verbal or it can be in writing.

This section looks at what you can do if the home repairs are not satisfactory.

The law says that in any contract, the person you hire:

- must use reasonable care,
- must do the work in a "proper and workmanlike manner," and
- must use materials of reasonable quality.

You have a right to expect that the work will be:

- finished by the date you have agreed, or within a reasonable time if you haven't agreed on a date, and
- provided at the cost you have agreed, or at a reasonable cost if you haven't agreed on the cost.

When you hire someone to do work for you, it is best to have a written contract that is clear about what you have agreed.

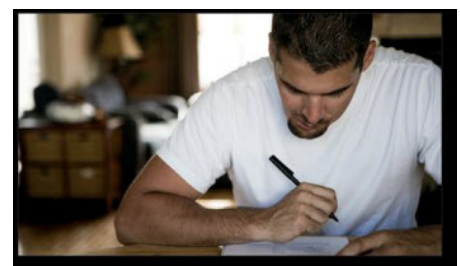
What should I put in a written contract?

Get a written contract from the person or company you hire. The contract should include the following information:

- name and address of the contractor,
- your name and address,
- type and amount of work to be done,
- who is going to do the work,
- who is going to get building permits and approvals,
- who is going to order and pay for materials,

- total cost (cost of labour plus cost of materials used on the job),
- when work will start and when it will end,
- when payments will be made, and
- what will happen if you and the contractor cannot agree.

The wording dealing with what will happen if you and the contractor cannot agree does not need to be complicated. You could say something like:



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*If we have disagreements under this contract, we will first try to resolve it with the help of a **mediator**. We will each pay half of the mediator's fees.*

Tips about hiring a contractor

Here are some tips when hiring a contractor:

- Do not hire anyone to do the job that does not use a written contract.
- Do not hire a contractor who comes to your home and says:
 - they can give you a special price, or
 - your home looks like it needs immediate repairs.
- Get at least three estimates from contractors who live in your area.
- Ask contractors for the names and phone numbers of people they have worked for in the past. Phone the numbers and ask about the contractors and the quality of their work.

Tips about paying for repairs

When paying for repairs you should:

- Put down no more than 10 to 15% of the total cost as a deposit when you sign the contract. Do not pay in cash because that can mean you do not have a record of the payment.
- By law, you are supposed to withhold 10% of the total cost upon completion of the work for 55 days. This is your protection against claims by people who supplied the materials. They could make a claim if they did not get their share of the payments you made to the contractor.

Disagreements about the repair work

If you do not like the repair work you should do the following:

1. Talk with the contractor. It could be a misunderstanding. If there is a problem, try to find a solution you can both agree to. Give the contractor a chance to explain. For example, the contractor may be waiting for materials.
2. If you and the contractor cannot come to an agreement, you may wish to find a mediator who can help you both find a solution. To find a mediator, go to www.mediatebc.com ^[1] and look for "Civil Mediators." In Metro Vancouver call 604-684-1300. Outside Metro Vancouver call toll-free 1-877-656-1300.
3. As a final step, you can cancel the contract and fire the contractor.

What if I change my mind?

When you changed your mind about what you wanted done, expect to pay more than the cost you agreed to in the contract. If you cannot come to an agreement about the bill, the matter may end up going to court. In case you have not paid the whole bill and refuse to pay the balance, this may force the contractor to start an action. They may also be able to pressure you by filing a builder's *lien* against the title of your property. If you have paid the whole bill then you may need to start an action to recover some of what you paid.



What if we disagree about the bill?

The person who is doing the repairs:

- Cannot charge you more than the estimate in the contract, unless you agree.
- Cannot charge you for work that is not described in the contract, unless you agree.

Sometimes people find that a repair person is trying to charge for work that was not necessary or that was never done. If you think this happened, contact Consumer Protection BC toll-free at 1-888-564-9963 or online at www.consumerprotectionbc.ca ^[2].

What can I do if the work is faulty and or unsafe?

The BC Building Code is a law that sets standards for buildings. If you think that some of the work is not up to building standards, you can report it in writing, with a copy to your contractor. To find out more about building codes and where to send your report, go to the website for your local town or city. Search for "Licenses and Inspections." If the work does not meet building code requirements, the contractor will have to correct it at his or her expense.

When may I have to go to court?

If you cannot solve your problems with the contractor, you may have to go to court. If your claim is for \$25,000 or less, or you are willing to reduce your claim to \$25,000, you can make a claim in Small Claims Court. To find out how to make a claim in Small Claims Court, go to the Clicklaw website at www.clicklaw.bc.ca ^[3] and type "Small Claims" in the search box. The site links you to a video about Small Claims Court ^[4] available in Chinese, Punjabi, Vietnamese and English, among other resources.

Additional resources

The Canadian Home Builders' Association provides tips on developing a contract with your contractor ^[5].

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References

- [1] <http://www.mediatebc.com/Find-a-Mediator.aspx>
- [2] <http://www.consumerprotectionbc.ca>
- [3] <http://www.clicklaw.bc.ca>
- [4] <http://www.clicklaw.bc.ca/resource/1514>
- [5] http://www.hiringacontractor.com/en/gein/gein_001.html

Someone Owes You Money



This page is used in the Consumer Law Lesson Module, a law-related ESL lesson for newcomers to Canada.

Suppose you loaned someone an amount of money. They promised to pay the debt within three months. But they did not pay the debt.

You want your money. What can you do?

This section looks at what you can do to collect on a debt.

How do I write a demand letter?

You can write a *demand letter*, which is a letter that says how much the person owes you and tells them they must pay you. For example, a demand letter about a loan can say something like this:

I am writing about a loan I made you of _____(amount) on _____(date of loan) for _____(purpose of loan). Our agreement was that you would pay this loan in full by _____(date of repayment). To date, you have not made any payments. It has now been _____(number of days) since the loan was due. The full amount of _____(amount) is now due. If I do not receive payment in full by _____(give a date), I will take legal action to recover the amount of the loan, as well as interest, filing fees, and any other costs. If you have any questions, please feel free to contact me at _____(your phone number).

You can write a demand letter yourself or you can ask a lawyer to write it for you. A demand letter sent on the lawyer's letterhead is often very effective. If a demand letter does not work, you may need to go to court.

When do I go to court?

You can go to Small Claims Court if the debt someone owes you is for \$25,000 or less. If the debtor owes you more than the \$25,000 limit, for example \$28,000, you can make a claim for \$25,000 plus some contribution for your expenses.

Small Claims Court is for people who do not have a lawyer. There are Small Claims Courts located throughout the province. To find out how to make a claim in Small Claims Court, go to Clicklaw, online at www.clicklaw.bc.ca ^[1]. Type "Small Claims" in the search box. The site links you to a video about Small Claims Court, available in Chinese, Punjabi, Vietnamese, and English, among other resources.

To collect more than \$25,000, you have to go to BC's Supreme Court. This is much more complicated and expensive than Small Claims Court. To find out how to make a claim in Supreme Court, go to www.clicklaw.bc.ca ^[1] and type "Supreme Court" in the search box. If you are in the Lower Mainland, you may wish to visit the Vancouver Justice Access Centre ^[2] where staff can give you information about bringing a claim in Supreme Court.

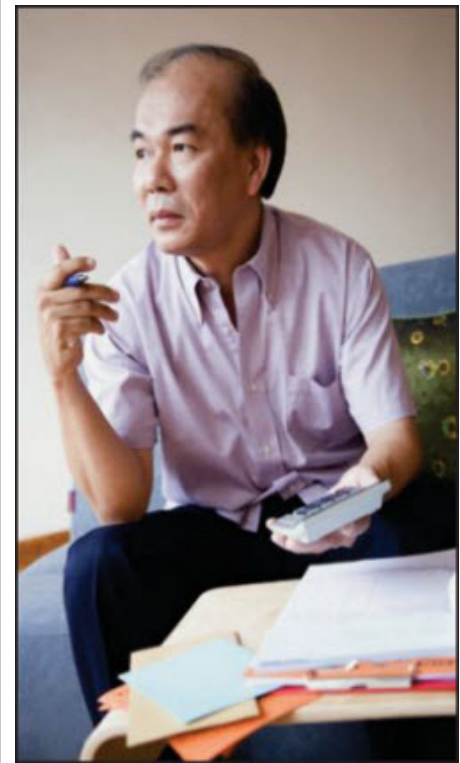
Getting legal help from a lawyer

If you want to go to court, it would be a good idea to talk to a lawyer. Here are two places to contact for help:

- **Lawyer Referral Service** is a program where you can get advice and information from a lawyer for a fee of \$25 plus taxes for the first 30 minutes. To contact Lawyer Referral, call 604-687-3221 in Greater Vancouver or toll-free at 1-800-663-1919 from anywhere else in the province. More detailed information about the service is available on the Clicklaw HelpMap ^[3].
- **Access Pro Bono** is a program for people who cannot afford a lawyer and who cannot get legal aid. Access Pro Bono offers clinics across BC where experienced lawyers volunteer to provide free legal advice. Call 604-878-7400 in Greater Vancouver or toll-free at 1-877-762-6664 from anywhere else in the province. More information is available on their website at www.accessprobono.ca ^[4] or the Clicklaw HelpMap ^[5].

When should I speak to the lawyer?

Do not wait until the day before trial before you start asking a lawyer about what to do in court. There are limits on the time you have to collect the debt through the court.



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How should I prepare for meeting with a lawyer?

Gather all the relevant facts and documents before you meet with the lawyer. You want to get the most out of your interview. Be ready to tell the lawyer the answers to these questions:

- How did the debt come about?
- What documents do you have that support your claim?
- How much are you owed?
- What is the repayment plan?
- What information do you have about the ability of the debtor to pay?

How do I collect my money if the judge decides in my favour?

If the judge rules in your favour, the debtor is expected to pay up. But sometimes the debtor just ignores the judge. In this case, you may have to go back to court and ask the judge to force the debtor to pay the debt. For example, the judge can:

- take money from the debtor's wages,
- have a court official seize the debtor's property, or

- make the debtor come to court to explain why he or she has not paid the debt.

Never try to take property or threaten a debtor. This is against the law.

Additional resources

To find out more about debt collection law within BC, visit Consumer Protection BC ^[6].

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- [1] <http://www.clicklaw.bc.ca>
- [2] <http://www.clicklaw.bc.ca/helpmap/service/1111>
- [3] <http://www.clicklaw.bc.ca/helpmap/service/1044>
- [4] <http://www.accessprobono.ca>
- [5] <http://www.clicklaw.bc.ca/helpmap/service/1040>
- [6] <http://www.debtightsbc.ca>

Problems with Debt



This page is used in the Consumer Law Lesson Module, a law-related ESL lesson for newcomers to Canada.

Sometimes, even when we try our best, we are not able to pay all our bills. This may be due to a variety of reasons. People can fall ill, or lose a job, or have unexpected expenses, like a rent increase. This section provides information on where to get help and how to communicate with the people you owe money to.

Where do I start?

To deal with a *debt* problem, you first need to work out how much money you owe. To do this, make a list of all the people and companies you owe money to (your *creditors*).

You need to collect the following information for each debt:

- the name and address of the creditor,
- the name of the person you have been dealing with at each company,
- the account or reference number, and
- a copy of the original loan agreement you signed.

It is a good idea to keep the latest letter or statement for each debt together in one place so that you can easily find them if you need them.

What do I put in my budget?

The next step is to work out your budget. Your budget lists how much money is coming into your household and how much you need to spend.

Income: List all the income for your household. Make sure that the amounts are realistic. Include all of your current sources of income:

- wages,
- disability assistance,
- social assistance,
- a family member's or partner's income,
- gifts,
- child tax credits / benefits,
- pensions and old age security,
- GST refunds.

Expenses: The next thing you need to do is list all your expenses. Make sure that the amounts are realistic. Figure out all of your expenses on a weekly, monthly, or seasonal basis. Make sure you remember to include personal expenses, such as loans, restaurant meals or gym memberships, and household expenses, such as rent, groceries, cable, and utilities. When you make a list of your expenses, think about whether you may be able to make any cutbacks. If you can make cutbacks, this will make more money available for you to pay back your debts.

When you have listed all your income and expenses, add up the figures and see if you have any money to spare to pay your creditors. If you have any money to spare, decide which debts are the most urgent ones, and which debts are less urgent. Pay off the most urgent debts right away. Then make a plan for how you are going to pay the less urgent debts.



What can a credit counsellor do to help me?

You may wish to contact a credit counsellor for help in developing your plan to pay off the debts. You may also wish to write a letter to your creditors that explains what you have decided.

You can contact a credit counsellor they will look at your finances with you, and suggest options. They may be able to help you get into a debt repayment program to help you pay off your debt.

How do I contact my creditors and what do I say?

Step 1: Write a short letter to each of your creditors

You need to provide enough information so that your creditors understand your financial difficulty. Tell your creditors that you would like to pay your debt but cannot do so in full right now. You could offer to pay them an amount you can afford if you have the money to do so. If you have to stop making payments, let your creditors know about your financial situation and that you will tell them when it changes.

Step 2: Attach any relevant documents

If you have problems that are preventing you from paying your debt, such as health issues or job loss, you should provide proof, such as:

- A letter from your doctor if you have health problems that affect your income.
- Documents that show changes in your job. For example, you may have had your work hours cut, or you may have lost your job, or your Employment Insurance benefits have ended.
- Documents that show changes in your family. For example, you may have a new child or you may be taking care of an elderly parent.

Step 3: Attach your budget

Your budget shows the people you owe money to (creditors) what you can afford to pay towards your debts. If a creditor thinks the amount you spend on something is unreasonable, they may ask you to explain why you spend this amount.

Send your letter, any documents, and budget to your creditors by registered mail or fax or email. You want proof that they received it.

Step 4: Keep notes

If you speak with any of your creditors about your situation, write down their name, number, the time of call, and what you discussed. If the person you were talking to suggests a payment plan, ask her or him to send it to you in writing.



Debt collectors

Sometimes the person you owe money to has turned the debt over to a debt collection agency. There are laws that protect debtors from what a debt collector can do. For example, there are strict limits on contacting your family or your employer, and you have a right to tell a collector to stop phoning you altogether.

For more information about debt collectors, contact Consumer Protection BC at www.consumerprotectionbc.ca ^[1]. Find more helpful information and links in the Sources of Help for Consumers section.

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References

[1] <http://www.consumerprotectionbc.ca>

Identity Theft



This page is used in the Scams to Avoid Lesson Module, a law-related ESL lesson for newcomers to Canada.

Identity theft happens when someone takes the personal information of another person and uses it without their knowledge or consent. Identity theft is one of the fastest growing crimes in Canada and can happen to anyone. By being aware of the issue and by managing your personal information wisely, you can help guard against identity theft.

What does identity theft mean?

Identity thieves steal your name and other pieces of personal information such as address, date of birth, Social Insurance Number (SIN), credit card numbers, bank numbers, online passwords, calling cards, birth certificates, passports, and your mother's maiden name.

Once they steal information, identity thieves invade your personal and financial life. Using this information, they may:

- drain your bank accounts, transfer bank balances or open new accounts,
- run up credit card debts or apply for new credit cards,
- apply for loans and other services or benefits,
- go on spending sprees involving the purchase of vehicles, apartments, luxury items and vacations, or
- commit more crimes and, if arrested, use your identity.

How do they get the information?

Identity thieves can obtain your personal and financial information in a range of ways. For example, they may:

- Steal the information from your computer, smartphone, wallet or purse, home, or vehicle.
- Pose as a credible person (e.g., government official, bank employee, landlord, employer, creditor, service provider) to obtain your personal or financial information from you or from confidential sources.
- Remove mail from your mailbox or redirect your mail.
- Tamper with automated teller machines (ATMs) and point-of-sale debit machines so they can read your debit or credit card number and personal identification number (PIN).
- Retrieve personal information from garbage or recycling.
- Buy the information from someone who works where personal and/or financial information is stored.
- Use online search engines, social media networks, newspapers, phone books, and public records to obtain your information.
- Place bogus advertisements for employment in order to obtain your information.
- Pretend they need your personal details to send you "winnings."

Warning signs

- You find withdrawals or transfers you didn't make in your bank accounts.
- Your credit card statements show items you didn't purchase.
- You notice that not all of your mail is arriving on time.
- You get credit card statements for accounts you don't have.
- You start getting bills from companies you know nothing about.
- A creditor calls to say you've been approved or denied credit you haven't applied for.
- You apply for credit and are turned down for no apparent reason.
- A collection agency tries to collect on a debt that isn't yours.

What you can do to minimize the risk

Immediately notify the issuer if you think any of your identity documents may be lost or stolen. Here are some strategies you can use to minimize the risk of someone stealing your identity.

Online

- Use passwords that do not contain easily available information.
- Don't download applications unless you can verify the source. Never give personal information to "unlock" a feature or application.
- Have the most recent updates installed for spam filters, anti-virus and anti-spyware software, and a secure firewall. Use the most up-to-date versions of your web browser to offer further protection.
- On a social networking site, don't post more personal information than necessary. Set your privacy settings as high as possible. Do not accept friend requests from people you don't know.
- Never follow links in emails, even to log in to Facebook or Twitter. Go to the site directly and log in there.
- If you use secure sites for financial transactions, follow all of the instructions for security when you enter and exit the site.
- Don't send personal and financial information by email unless you know the service is secure.
- Make sure personal information is deleted before you sell, recycle or discard your computer. You may have deleted files from folders but the information may still be on the computer's hard drive.

On your mobile devices

- Password protect your smartphone and lock the keypad when you're not using it. Ensure you enable the password or PIN to all your voice mail accounts.
- Don't share any important information, account numbers or passwords via text message. Text messages are relatively easy to intercept.
- Carry only the information you need on your phone. Just because you can list contacts in a smartphone application doesn't mean you should do it.
- If you carry important information on your smartphone, consider using software that can remotely lock your phone or remove your information.

In everyday transactions

- Give your SIN only when absolutely necessary, and do not carry your SIN with you.
- Never give personal or financial information to anyone who contacts you by phone or online unless you know who they are or can confirm they are legitimate.
- Be aware that police and financial institutions never call or email to ask for your bank or credit card details or PIN.
- Tear or shred receipts and copies of papers you no longer need, such as old tax returns, insurance forms, and credit offers you get in the mail.
- Don't leave personal information lying around at home, in your vehicle, at the office or on your computer. Don't leave receipts at an ATM, a gas station, or anywhere else where you are purchasing goods or services.
- When you receive a renewal or replacement for a document that contains identity information (e.g., your driver's licence), return or destroy the old one.
- Sign your credit and debit cards as soon as you get them. Cut up expired and unused cards.
- Keep key documents such as your birth certificate, passport and social insurance card in a safe place when you're not using them. Also keep other important documents such as tax returns, will, marriage certificate, diplomas and degrees in a safe place.
- Make a list of the names, account numbers and expiration dates of your cards in a secure place. Store this list somewhere secure. This will help you if you need to alert your credit grantors about a lost or stolen card.
- Know when your credit card and financial statements and utility bills are due. Pay attention to credit card expiry dates. Match credit cards and debit cards to your statements.
- Do not put more than your name and address on your personal cheques.
- Lock your household mailbox if possible. Pick up your mail promptly. When you are away, have a trusted person pick up your mail.



What you can do if your identity is stolen

Dealing with identity theft is time-consuming. You need support and information. This section suggests actions you can take to stop the thief and regain control of your identity documents.

If you suspect you have become a victim, you need to contact financial institutions, credit issuers, other companies and credit reporting agencies. Keep a log of dates, person(s) that you speak with or write to, what they say, and how to contact them again if you have more questions.

1. Report the incident to the Canadian Anti-Fraud Centre (CAFC) at 1-888-495-8501 or www.antifraudcentre-centreantifraude.ca^[1]. The CAFC has an Identity Theft Statement you can use to send to financial institutions, credit issuers, other companies and credit reporting agencies. You can download it from the website and make copies.
2. Contact your financial institutions, credit issuers, and other companies. Tell them what has happened and ask them to investigate. Cancel any cards that were affected and close any affected accounts. Find out if the company requires written documentation to begin investigating your claim of identity theft. Send the company the documentation they require as soon as possible.

3. Contact Canada's two major credit reporting agencies. Ask each agency to send you a copy of your credit report. The credit report may show if there are other companies where the identity thief has opened accounts or incurred debt in your name. Discuss with the credit reporting agency whether to have a "fraud alert" placed on your file. A fraud alert means that creditors call you before opening any new accounts or changing your existing accounts. The two major credit reporting agencies are:
 - Equifax: Phone toll-free at 1-800-465-7166 or visit their website at www.equifax.com ^[2].
 - TransUnion Canada: Phone toll-free at 1-800-663-9980 or visit their website at www.transunion.ca ^[3].
4. If your government-issued documents were lost or stolen, contact the department or ministry, explain what happened, and request new documents.
5. If you think your mail is being stolen or re-directed, contact Canada Post.
6. Report the incident to your local police department. Ask the police to take a report, if possible. If a police report is available, include it in all your correspondence about the identity theft with financial institutions, credit issuers, other companies and credit reporting agencies.

✓ The above was last reviewed for legal accuracy by People's Law School, 2013.



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References

- [1] <http://www.antifraudcentre-centreantifraude.ca>
- [2] <http://www.equifax.com/>
- [3] <http://www.transunion.ca>

Internet Scams



This page is used in the Scams to Avoid Lesson Module, a law-related ESL lesson for newcomers to Canada.

The Internet provides endless opportunities for selling products, with sales of everything from t-shirts to toys, calendars to collectibles. If a **scam** is involved, the item you purchased online may never be delivered or may not be as advertised. Or you may be asked to pay an advance fee and receive nothing. The Internet also provides opportunities for scammers to steal your identity and your money.

This section describes some common Internet scams.

"Free trial" scams

Online advertisements may offer you a trial for products to cure all sort of things, ranging from hair loss to weight loss or from acne to cancer. Be aware that "free trials" may result in repeated billing. Review the website carefully before you provide any credit or debit card information.

You may be signing a membership, subscription or service contract that allows the company to charge fees to credit cards. Many websites that offer a "free trial" for products do not disclose the billing terms and conditions on their website. Check with the Better Business Bureau to find a company reliability report. See the Sources of Help for Consumers section for contact details.

Phishing and smishing

These scams are forms of identity theft. They are tactics to get you to reveal your personal and financial information.

Phishing involves scammers creating email messages and web pages that mimic those of a bank, credit card company, auction site or escrow service such as PayPal. The imitations can sometimes be very good. The scammers send emails randomly to "fish" for passwords and financial data, hence the term "phishing" (pronounced "fishing"). These emails often ask you to "re-register" or "reactivate" an account. They provide a link to a website that appears to be the legitimate site of the company or financial institution.

The goal is to trick you into providing personal, financial, or password data. Once the scammers have your information such as credit card numbers, bank account information, social insurance numbers, and passwords, they use it to commit more fraud.

Smishing refers to text messages that are sent to users of mobile devices. The text asks you to register for a service that downloads a virus. Or the scammer may claim you will be charged unless you cancel a supposed order by going to a website, where you will be asked for your credit card numbers and other personal information.

Anti-virus scam

You receive a call from someone claiming to work for major computer company (e.g., Microsoft). The caller says you have a problem with your computer, for example, it is infecting others with a virus. All you have to do is go online and download anti-virus software, or let the caller “take over” your computer to fix it. The download in fact is spyware and malware that enables the scammer to gain access to your personal information and also to use your computer for other attacks.

Smartphone app scam

Scammers disguise malicious spyware in a game or an application. If you download it, the malware can steal your financial details and other data.

Facebook link-sharing scam

A scammer posing as a friend posts a link on your Facebook page wall or in Facebook status updates, making it look like legitimate link-sharing. If you follow the link it downloads viruses onto your machine.

Bogus Internet services

There are numerous scams that take your money for Internet services that you did not order, or that you were told were free. In one scam, you get a call from a company offering you a free website for a certain period of time. The caller says you can continue the service for a small monthly fee and cancel at any time. The caller obtains your contact information and a description of your business. Then you receive a bill, whether or not you ordered the service.



Overpayment scams

You advertise something for sale online. A buyer agrees to pay your asking price, but sends you a cheque or banker's draft for a larger sum. Then they ask for the extra money to be sent back to them by cheque or wired to an account. Their cheque bounces after you have sent them your money.

Free government money

Social networking sites and online advertisement point you to blogs that appear to be written by ordinary people who are willing to share the secret of how they received funds from government to pay off their debts. This is in fact a mass marketing scheme. You have to pay to participate.

West African scams

This scam, which has been around for long time, has gone online. It is sometimes called the "4-1-9 scam," after the section of the Nigerian criminal code that addresses fraud schemes. Typically an email comes from overseas, usually from somewhere in Africa. The email claims that an important event (e.g., a change of government) has resulted in a person having a large sum of money which needs to be transferred overseas. The sender claims that if you help with the transfer, you can keep a portion of the money. If you reply to the email, you receive official-looking correspondence and

are requested to provide your financial details, such as bank account information. Then something “goes wrong” and you are pressured to save the deal. The scammer demands advance fees for various taxes, legal fees, transaction fees or bribes. There are many variations of the scam, but all aim to steal your money.

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Loan and Credit Scams



This page is used in the Scams to Avoid Lesson Module, a law-related ESL lesson for newcomers to Canada.

Bogus loan or credit offers are often pitched to people who need extra money. You may see the ads online, in the classified section of the newspaper, or on bulletin boards. Or you may receive a phone call from a telemarketer.

Advance fee loan scams

You are told you are “guaranteed” or highly likely to get a loan. All you need to do is pay an upfront fee to process the loan.

Facts

- Bogus fee loan companies don't send the promised loan. Your fee is not refunded. You get a letter saying that your loan application has been denied.
- Legitimate lenders never “guarantee” that consumers will qualify before a credit check is done.

What the law says

In BC it is against the law for a company to charge an advance fee to obtain a loan, even if that fee is described as the first or last month's payment.

What you can do

- Apply for loans through local banks and credit unions. Know who you're dealing with.
- If you have poor credit, it is unlikely that any legitimate bank or other financial institution will give you a loan. Your credit history is one of the main criteria they use to determine whether you will be able to repay a loan.
- If you can't get a loan yourself, a friend, relative or employer may be willing to apply with you for a loan. Warning: If you co-sign for someone else's loan, you are equally responsible for the debt. If the other person can't make payments on time, you can be held liable for the loan and your credit record will be affected.
- Get free or low-cost help with credit problems. If you've got bad credit or no credit, get advice on how to build a good credit record. See the Sources of Help for Consumers section for places that can help.

Bogus credit cards

Scammers target people who are having credit problems and haven't been able to get credit cards elsewhere. They claim "guaranteed approval" for a credit card, regardless of your credit rating. They want you to pay an upfront "processing fee" to get the credit card.

Facts

- Few victims ever receive credit cards. Those who do get a card discover that there are additional processing and annual fees.
- In some cases, all you get is a list of banks you can then send an application to.
- In other cases, consumers who gave out their chequing account numbers found money had been debited from their account without their permission.
- In offers that claimed that the card would be issued by an "offshore" bank, the credit card never showed up and the bank didn't exist.

What the law says

It is illegal to make false or misleading statements about providing credit cards. Any company that promises approval and charges a fee is breaking the law.

What you can do

- If someone offers you a credit card regardless of your credit history, be wary. It's probably a scam.
- Don't give out your bank account number to anyone unless you intend to have money withdrawn from your account.
- Ask for written information about a credit card or any other offer to be mailed to you.
- If the seller insists that you have to apply immediately, do not apply. A legitimate financial institution will be just as happy to consider your application tomorrow.

Wipe your credit report clean

The pitch goes something like this:

Credit problems? You can now wipe your credit report clean of bankruptcies, judgments, foreclosures and lien payments. AND IT'S 100% LEGAL!

Usually the scam urges you to dispute the accurate negative information on your credit report or to set up a new credit identity for yourself.

Facts

- There's no legal way to erase accurate negative information from your credit record.
- Legitimate financial institutions don't issue credit cards without first checking your credit. Ignore these offers.

What you can do

Report suspected frauds to the Better Business Bureau and the Canadian Anti-Fraud Centre (CAFC). See the Sources of Help for Consumers section for contact details.

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Work Scams



This page is used in the Scams to Avoid Lesson Module, a law-related ESL lesson for newcomers to Canada.

Looking for work? If you see a job offer or business opportunity that looks too good to be true, it probably is. Here are some work scams to watch out for.

Work at home, make huge profits

The offer may be to do such things as:

- stuff envelopes,
- clip coupons,
- assemble craft, or
- enter data on a computer.

The advertisement may be on online, on television or in the newspaper. Or you may get a phone call, text, or letter, or see a notice at the local community centre or even on a telephone pole. Example: Make \$50,000 in less than 90 days from home!

Warning signs

This scam often:

- Demands you buy a "start-up kit" or something similar in order to begin the program.
- Promises you guaranteed markets, huge demand, big profits, and big earnings for part-time work.

Fact

The Better Business Bureau has not received any reports that work-at-home schemes produce income.

What the law says

It is illegal for an employer to require a prospective employee in BC to pay a fee in order to obtain a job. Legitimate companies usually do not place open ads for work-at-home programs and do not require any type of payment in advance.

What you can do

1. Learn as much as you can about the company, product and market potential. Get everything in writing. Check with the Better Business Bureau to see what they know about the company. See the Sources of Help for Consumers section for contact details.
2. Get a complete description of the work involved before you send any money. You should never have to pay for a job description or for needed materials.

Mystery shopper scams

Mystery shopping scammers use newspaper ads and emails to give the impression there are lucrative mystery shopper jobs available with legitimate companies. Typically, you are directed to a website where you can "register" to become a mystery shopper. But first you have to pay a fee for a certification program, a directory of companies, or a guarantee of a job.

In a variant of this scam, you are hired to "secret shop" a wire-transfer service. You are sent a cheque and told to deposit it. You get to keep a small percentage of the money as your wage and then you wire the rest, and fill out a survey on your experience. After you have done this, you find out the cheque was a fake and you are out of pocket for the money you wired.

Bogus franchises

Some franchises are legitimate business opportunities. Others are scams.

What is a franchise?

A franchise is where you buy the right to sell a company's goods and services. Examples:

- "chains" such as many fast food outlets,
- vending machines,
- magazine racks, or
- video game machines.

A business opportunity is considered a "franchise" if:

- You will sell or distribute goods or services that are supplied by either the company or a designated supplier.

- The company will help you by securing locations or sites for the vending machines or display racks.
- You are required to pay the company a sum of money when you sign the contract or within a set period of time after you begin operations.

Warning signs of a franchise scam:

- High pressure sales tactics. If you are pressured to sign immediately because "prices will go up tomorrow," or "another buyer wants this deal," do not sign.
- Be wary if the salesperson makes the job sounds too easy.
- Promises of extraordinary profits with little risk are usually too good to be true. Example: No experience required. No selling. Earn \$5,000+ per month.
- Excessively high start-up fees.
- Evasive answers to your questions. If a seller won't agree to put verbal promises in writing, avoid this seller and look for a legitimate company.
- With franchise scams you will find that promoters:
 - do not deliver the equipment they promised, or
 - do not provide the support services they promised in a sales pitch, such as repairing or replacing damaged items.

Tips for people interested in buying a franchise

- Shop around. Compare franchises with other business opportunities.
- Talk to people who have franchises. Find out how many sales people are in the area and whether you will have an exclusive territory.
- Ask the seller for a list of the names and addresses of current owners and operators. The company's list of selected references is not a substitute for a list of franchise owners.
- Be very wary if the seller provides recommendations from people but never gives you a way to contact those people yourself.
- Ask to see a Uniform Franchise Offering Circular (UFOC) and review it carefully. This document lists current franchisees, those who have left or quit, and gives financial statements of the business. It should give you the true picture of the franchise operations beyond the glossy sales brochures. UFOCs are not legally required in BC, but demand one anyway. UFOCs are required by law in most parts of the US.
- Get professional advice from a lawyer and/or accountant or business advisor. Go over all the details of the franchise system. Always question where the franchise company makes its money.
- Get the seller's promises in writing. If the salesperson says one thing but the written contract says nothing about it or says something different, the written contract is what counts. Sales claims about successful areas of business — "Be a part of our five billion dollar industry," for example — may have no bearing on your likelihood of success. Once you buy the business, you may be competing with franchise owners or independent business people with more experience.
- Before you sign any contract, take it to a lawyer who is familiar with franchise operations. Be sure you understand who owns what.
- Report any problems to the Better Business Bureau. See the Sources of Help for Consumers section for contact details.

Pyramid schemes

"Pyramid schemes" aim for quick profits by selling the right to recruit other people to the scheme. In a pyramid scheme, you are asked to pay money to become a "distributor" of a product or service. Typically you are invited to attend a presentation about a business opportunity. Usually you are pressured to pay ("invest") a large amount to become a "distributor." You then recruit a number of other distributors. Each of those distributors is supposed to recruit the same number of distributors, and so on.

How to spot a pyramid scheme

The focus is on profits you can make by sales to new recruits who buy the products in order to participate in the scheme. There is more emphasis on recruiting than on selling the products or service.

Pyramid schemes are confusing. They look a lot like "multi-level marketing," which is legal in Canada. Under "multi-level marketing" people sell consumer products, usually in customers' homes. The products are supplied by a multi-level marketing company. You can obtain information about a multi-level marketing company from the Competition Bureau: 1-800-348-5358.

While multi-level marketing focuses on selling products or services, the pyramid scheme focuses on recruiting more people.

What the law says

Pyramid schemes are illegal in Canada.

Facts

- Only the people at the top of pyramid make any money.
- Most of the people who invest money in pyramid schemes lose all of it.
- Do not expect to get your money back.

What you can do

You can report a suspected pyramid scheme or get help deciding if it's a pyramid or legitimate multilevel marketing by phoning the Better Business Bureau or Consumer Protection BC. See the Sources of Help for Consumers section for contact details.

Additional resources

For more information, contact "Dial-A-Law", a service that provides legal information on tapes. Select the tape, "Dishonest Business Practices and Schemes ^[1]" (Tape 260).

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References

[1] <http://www.clicklaw.bc.ca/resource/1374>

Prize, Sales and Relative Scams



This page is used in the Scams to Avoid Lesson Module, a law-related ESL lesson for newcomers to Canada.

Prize and contest scams

You are told that you "have won first prize" or that you "have won first place in a contest." The scammer will tell you that you've won something substantial (such as a large sum of money or a great prize) and that all you have to do is send them money to claim the prize. Or they may not even tell you what the prize is.

Scammers use a range of ways to reach you. For example, a text message tells you that you could win a great prize by participating in a trivia competition by texting. The first message may even contain a very easy question to tempt you.

Some scammers use names that resemble official organizations or send an envelope announcing, "It's Your Lucky Day," or "You Have Won." Or they enclose what looks like a government cheque.

Facts

- If you have to pay to receive your "prize," you haven't won anything.
- If you have to purchase products, provide a credit card or other account numbers, or send a fee in order to receive your prize, it is not a prize.

Ways these scams try to get your money

- You have to provide your credit card number to cover the shipping and handling fee, lawyer fees etc. or "taxes" to process your winnings. This may be for just a small amount — about \$3 or \$4. They want you to think, "It isn't much money, so why not risk it?"
- In a texting competition or a texting trivial scam, the scammers make money by charging extremely high rates for the messages you send and any further messages they send to you.
- You have to call a "900" phone number to find out what you have "won." If you call a 900 number you are paying for the call.
- You have to make "a small purchase" (typically a few dollars' worth of small items such as pens, key chains, or light bulbs) to get the prize.
- You have to provide your credit card number or chequing account number for "verification" purposes. As soon as someone has your credit card number they can use it; they do not need to have your signature.
- You have to send a certified cheque.
- You are pressured to buy "on the spot" because the prize is available for a "limited time only."

What you can do

- Don't pay to win or enter. Buying goods or services won't increase your chances of winning.
- Don't call a 900 number.
- Never give your credit card number to someone who claims they will "deposit winnings" in your account.
- Be wary about responding to text messages or missed calls that come from numbers you don't recognise.



Door-to-door scams

While legitimate businesses sell things through door-to-door marketing, scammers also use this approach. The scammers typically employ high pressure sales tactics to get you to agree to contract services such as roofing, paving or heating.

The work will be substandard, the bill will include items you did not agree to, their "money-back guarantee" will be worthless, and there will be no way to contact them later. Sometimes scammers pretend to conduct a survey so they can get your personal details or to disguise their sales pitch until they have been talking to you for a while.

What you can do

Door-to-door scammers will not give you value for your money. If you are interested in a door-to-door sale, get the name and location of the company. Check them out with the Better Business Bureau. See the Sources of Help for Consumers section for contact details. Insist on a written contract and take the time to check it out. If you are feeling pressured, do not sign anything. Close the door.

Under BC law, if you sign a door-to-door sales contract, you have 10 days to cancel by advising the company.

Report suspicious door-to-door sales to Consumer Protection BC at 1-888-564-9963 or www.consumerprotectionbc.ca [1].

Relative scams

This phone scam targets grandparents or other senior relatives. Posing as a young family member in distress, the scammer claims to have been in a car accident, or to need bail money right away. Usually the scammer asks you to wire several thousand dollars. A caller might say, "Grandma, do you know who this is?" Sometimes scammers have researched Facebook profiles for details about family members.

What you can do

Seniors should always check the story with other family members before they take any action. Report suspected scammers to the Canadian Anti-Fraud Centre (CAFC) at 1-888-495-8501 or www.antifraudcentre-centreantifraude.ca [2].

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References

- [1] <http://www.consumerprotectionbc.ca>
- [2] <http://www.antifraudcentre-centreantifraude.ca>

Resources

Sources of Help for Consumers

Here are options for further information and assistance with consumer problems.

Access Pro Bono	Offers clinics where lawyers provide free legal advice to people who cannot afford a lawyer and who cannot get legal aid.	Phone: 604-878-7400 (Greater Vancouver) Phone toll-free: 1-877-762-6664 ^[1] www.accessprobono.ca
Better Business Bureau of Mainland BC	Assists British Columbians (except on Vancouver Island; see below) in dealing with consumer problems.	Phone: 604-682-2711 Phone toll-free: 1-888-803-1222 Office hours: 9:00am – 3:00pm Fax: 604-681-1544 Email: contactus@mbc.bbb.org www.mbc.bbb.org ^[2]
Better Business Bureau of Victoria	Assists people on Vancouver Island in dealing with consumer problems.	Phone: 250-386-6348 Phone toll-free: 1-877-826-4222 Office hours: 9:00am – 4:00pm Fax: 250-386-2367 www.vi.bbb.org ^[3]
Canadian Anti-Fraud Centre (CAFC)	The Canadian Anti-Fraud Centre investigates reports of scams whether by telephone, facsimile, postal mail or the internet. You can report fraud to the Canadian Anti-Fraud Centre.	Phone toll-free: 1-888-495-8501 Phone from overseas: 1-705-495-8501 Fax: 1-888-654-9426 Mail: Box 686 North Bay, Ontario P1B 8J8 Email: info@antifraudcentre.ca www.antifraudcentre-centreantifraude.ca ^[4]
Canadian Home Builders Association of BC	Helps consumers plan their renovation and explains what to do when there are problems.	Phone toll-free: 1-800-933-6777 www.gvhba.org ^[5]
Clicklaw	An Internet portal for public legal information and education in British Columbia.	www.clicklaw.bc.ca ^[6]
ConsumerInformation.ca	An Internet portal site from Industry Canada's Office of Consumer Affairs. It provides useful information about how to protect yourself from scams, including identity theft, advance fee loan scams, telephone scams and more.	Email: consumer.information@ic.gc.ca www.consumerinformation.ca ^[7]
Competition Bureau	The Competition Bureau deals with complaints about scams in the marketplace.	Phone: 819-997-4282 Phone toll-free: 1-800-348-5358 Phone toll-free TTY: 1-800-642-3844 (for hearing-impaired only) www.competitionbureau.gc.ca ^[8]

Consumer Protection BC	Consumer Protection BC is the regulator of a variety of industries and specific consumer contracts in the province. It's mandate is to licence and inspect its regulated businesses, respond to consumer inquiries, investigate alleged violations of consumer protection laws and educate consumers and businesses about their rights and responsibilities under the laws they administer.	Phone: 604-320-1667 Phone toll-free: 1-888-564-9963 Email: info@consumerprotectionbc.ca www.consumerprotectionbc.ca ^[9]
Credit Counseling Society of BC	Provides assistance with debt problems.	Phone toll-free: 1-888-527-8999 Email: info@nomoredebts.org www.nomoredebts.org ^[10]
Dial-A-Law	Dial-A-Law is a library of practical legal information. It is operated by the BC Branch of the Canadian Bar Association. You can listen to the Dial-A-Law scripts over the phone, or read them on the website. The scripts are available in English, Chinese and Punjabi.	Phone: 604-687-4680 Phone toll-free: 1-800-565-5297 www.dialalaw.org ^[11]
Lawyer Referral	Offers advice and information from a lawyer for a fee of \$25 plus taxes for the first 30 minutes.	Phone: 604-687-3221 (Greater Vancouver) Phone toll-free: 1-800-663-1919 from anywhere else in the province. www.cba.org/bc/ ^[12]
Mediate BC	Mediate BC specializes in a wide variety of dispute resolution tools and processes.	www.mediatebc.com ^[13]
People's Law School	View the online animations "You Owe Money" and "Someone Owes You Money."	www.publiclegaled.bc.ca ^[14] ; click on "Media" and then "Videos"

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- [1] <http://www.accessprobono.ca>
- [2] <http://www.mbc.bbb.org>
- [3] <http://www.vi.bbb.org>
- [4] <http://www.antifraudcentre-centreantifraude.ca>
- [5] <http://www.gvhba.org>
- [6] <http://www.clicklaw.bc.ca>
- [7] <http://www.consumerinformation.ca>
- [8] <http://www.competitionbureau.gc.ca>
- [9] <http://www.consumerprotectionbc.ca>
- [10] <http://www.nomoredebts.org>
- [11] <http://www.dialalaw.org>
- [12] http://www.cba.org/bc/initiatives/main/lawyer_referral.aspx
- [13] <http://www.mediatebc.com>
- [14] <http://www.publiclegaled.bc.ca/>

Glossary of Terms

consumer

You are a consumer when you buy a product or a service.

consumer complaint

A report from a consumer providing documentation about a problem with a product or service.

contract

An agreement between two or more people that gives them mutual obligations towards each other that can be enforced in court. A valid contract must be offered by one person and accepted by the other, and some form of payment or other thing of value must generally be exchanged between the parties to the contract.

creditor

Person who is owed an amount of money.

debt

A sum of money or an obligation owed by one person to another. A "debtor" is a person responsible for paying a debt; a "creditor" is the person to whom the debt is owed.

debtor

Person who owes money.

expense

Money spent on something.

franchise

Authorization granted to an individual or to a group by a company to sell its goods or services.

goods

Something you buy (same as "purchases" and "product").

identity theft

Identity theft happens when someone takes your personal information and uses it without your knowledge or consent.

income

Money received by you.

lien

A legal right that someone has on property because they provided some material or service to the property.

mediator

A mediator is a neutral third party who assists people involved in a disagreement to resolve their differences.

mystery shoppers

Mystery shopping or a mystery consumer is a tool used externally by market research companies, watchdog organizations, or internally by companies themselves to measure quality of service, compliance with regulation, or to gather specific information about products and services. The establishment being evaluated does not usually know the mystery consumer's identity and purpose. Mystery shoppers perform tasks such as purchasing a product, asking questions, registering complaints or behaving in a certain way, and then provide detailed reports or

feedback about their experiences.

phishing

The word phishing comes from the analogy that Internet scammers are using emails to “fish” Internet users’ personal information. Also called “brand spoofing” is the creation of email messages and web pages that are replicas of existing legitimate sites and businesses. These websites and emails are used to trick users into submitting personal, financial, or password data. The emails often ask for information such as credit card numbers, bank account information, social insurance numbers, and passwords that will be used to commit fraud.

pyramid scheme

Pyramid schemes are frauds that are based on recruiting an ever-increasing number of investors. The initial promoters (those at the peak of the pyramid) recruit investors expected to bring in more investors, who may or may not sell products or distributorships. Recruiting newcomers is more important than selling products.

scam

(Name) A trick or a fraud. *(Verb)* Action of obtaining something in a manner not considered ethical or proper.

Small Claims Court

A court that manages claims for amounts of money up to \$25,000.

smishing

Comes from “SMS phishing” and refers to when scammers use cell phone text messages to induce people to divulge their personal information. The hook (the method used to actually capture people’s information) in the text message may be a website, but it is now common to see a telephone number that connects to an automated voice response system.

warranty

A promise made by the company that sells you the item about how long it will last and what it will do.

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About this Wikibook

About the Consumer Law Wikibook

This wikibook from People's Law School describes some of the most common consumer problems faced by British Columbians and in particular by newcomers to the province. It aims to help you:

- understand the laws that protect you when you buy items or hire someone to provide a service, such as home repairs,
- learn your options when someone owes you money, or you owe someone money, and
- learn how to identify scams and frauds and how to avoid them.

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The People's Law School

The People's Law School is a non-profit charitable society whose purpose is to provide British Columbians with reliable information about their rights and responsibilities under the law.



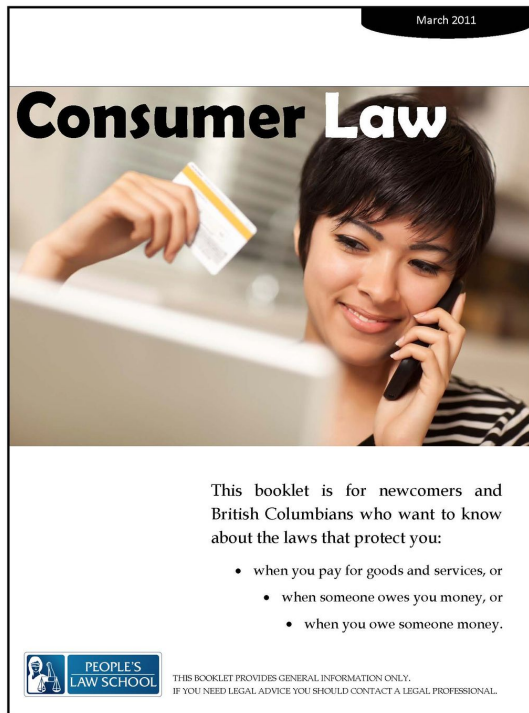
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References

[1] <http://www.publiclegaled.bc.ca>