Consumer's Edge

Consumer Protection Division, Maryland Office of the Attorney General

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Layaways

A Landover woman paid in full on a furniture layaway, but every time she tried to make delivery arrangements, the store claimed the merchandise wasn't in stock. She demanded a full refund of $330, but the store would only offer her a store credit. The consumer received a full refund after contacting the Consumer Protection Division.

A Baltimore man paid $600 toward the purchase of a $1395 drum set on layaway. He lost his job and tried to work out a new payment schedule, but the store insisted on full payment within 30 days or he'd lose both the drums and his money. After he contacted the Division, the store agreed to refund his $600, less 10 percent of the purchase price, for a total refund of $460.50.

After placing a suit on layaway and making payments totaling $40, a Baltimore woman found it was no longer there. The store tried to sell her a different suit instead, but when she refused to accept it, they tried to charge her a 20 percent cancellation fee. After contacting the Division, she received a full refund of $40.

If you're like many consumers, you may be trying to pay down your credit card balance to reduce your debt and avoid high monthly interest charges. Instead of charging new purchases on credit cards, perhaps you've turned to layaway to buy items such as clothing, furniture, appliances and holiday gifts.

Under a layaway agreement, you agree to purchase goods by making a down payment and follow-up payments. The merchant agrees to hold the goods or identical ones for you until you make all the payments.

What Are Your Rights?

The Maryland Layaway Sales Act requires a merchant to give you a written layaway agreement, spelling out your rights and obligations when you buy an item on layaway. If the seller does not comply with this

law, you can cancel the agreement and get a full refund.

The written agreement must state:

- The store's name and address
- Your name and address
- A description of the merchandise
- The cash price of the item
- The amount you have deposited and how much you still owe
- How many payments you must make and the date each payment is due
- The fact that you have a 15-day grace period in which to make a payment after one is due

What the Merchant Must Do

- Hold the items you want, or identical items, and deliver them to you on a specific date after you have made all your payments.
- Give you a receipt each time you make a payment.
- Sell you the goods at the price set in the agreement, even if the price goes up. If the price goes down within 10 days of the agreement, the seller must give you the reduced price.
- Give you a written statement, within 10 days, showing the price of the goods on layaway and how much you still owe, if you request this information in writing.

What If You Want to Cancel the Agreement?

You have the right to cancel a layaway agreement within seven days, and receive back all the money you've already paid. If you cancel the agreement after eight days or more, or don't make a payment within 15 days of a due date, the merchant may keep only 10 percent of the full price of the item, or the money you've already paid, whichever is less. These refund rights must be disclosed in your written contract.

If you have a layaway agreement, don't let the merchant refuse to give you a refund, or try to give you less than what the Maryland Layaway Sales Act entitles you to. Even if a store has its own refund policy, you cannot be refused a refund for the amount specified by Maryland law.

If You Have a Complaint Involving Your Layaway Agreement

Contact the business and give them an opportunity to solve the problem. If that doesn't work, contact the Consumer Protection Division at 410-528-8662. Our office can help resolve your complaint. You may file a complaint at http://www.marylandattorneygeneral.gov/Pages/Complaints/general.aspx. Be sure to include copies of your layaway agreement.

How to contact us

Consumer Protection Division
200 St. Paul Place, 16th Fl., Baltimore, MD 21202

- **General Consumer Complaints:** 410-528-8662
  Toll-free: 1-888-743-0023 TDD: 410-576-6372
  9 a.m. to 3 p.m. Monday-Friday
  www.marylandattorneygeneral.gov/Pages/CPD/
- **Health Consumer Complaints:** 410-528-1840
  Toll-free: 1-877-261-8807 TDD: 410-576-6372
  9 a.m. to 4:30 p.m. Monday-Friday
  www.marylandcares.org
- **For information on branch offices** in Largo, Salisbury, Hagerstown, and a full list of offices across Maryland, visit:
  www.marylandattorneygeneral.gov/Pages/contactus.aspx

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