

# CONSUMER'S EDGE

CONSUMER PROTECTION DIVISION, MARYLAND OFFICE OF THE ATTORNEY GENERAL

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## HOME SECURITY SYSTEM SALES TACTICS: WHAT TO KNOW

*A homeowner received a knock on his door from someone who claimed to work for his current alarm company and who said they were there to upgrade his equipment at no cost. After installing new equipment, they had the homeowner sign something. They were not actually with the homeowner's current alarm company, but with a competitor. They switched to their equipment, and locked the homeowner into a second years-long contract. The homeowner began receiving monthly bills from both companies. The alarm companies call this a "slam."*

*A Maryland woman received a phone call telling her that she had won a free home security system. After the system was installed, she was told she would need to sign a five-year contract for monitoring and pay a monthly monitoring fee to the company that installed the alarm.*

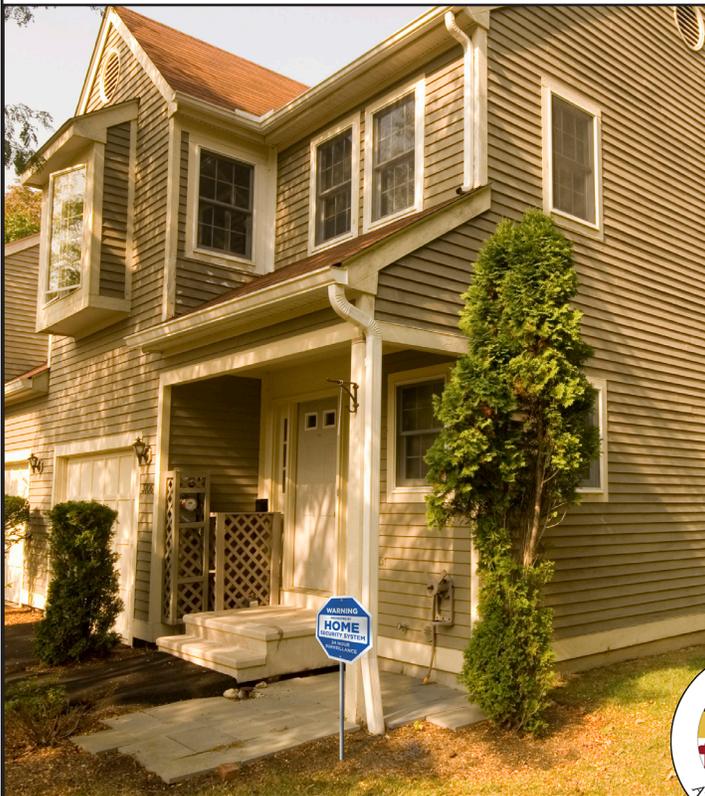
*Another Maryland woman was scared into buying an alarm system by a salesperson who made up phony crime statistics and stories about her neighborhood.*

The Consumer Protection Division receives many complaints from consumers about home security systems. They complain of being misled when they purchased the home security systems or monitoring contracts, not understanding the terms of their contracts, or being unhappy with the system they purchased.

### Selling Home Security

The home security business is highly competitive and companies use a wide variety of gimmicks to get consumers to sign a contract. Here are some consumers may encounter:

- **Lying about who they are or why they are there.** If you already have an alarm system, some alarm companies will come to your door and still try to sell you a second one or at least switch you to theirs. As part of that process, some salespeople lie about which company they work for. They may claim to be from your current alarm company, or from the company that manufactures your equipment.
- **Determine who they really work for.** Each alarm company employee who comes to your home is required to carry a state-issued security systems technician license, which states the company they work for, and has their name and picture.
  - If you are not familiar with the company they work for, or even if you just want to verify, call your current alarm service provider before you let them in the door.
- **Look for a License.** If they do not have a state-issued security systems technician license, do not let them in the door. Call your current alarm company and/or the state police.
- **Carefully review anything you sign.** Thoroughly review anything you sign, and make sure you understand it, particularly the company you are signing with, the length of the contract, and the total price. Make sure the company name on a contract is the same company the person claimed to be with – if not, do not sign.



- **Giveaways, discounts, and sales.** Some security system companies offer a free system, free installation, or free monitoring for a given period. Sometimes, this comes in the form of a “prize.” Other companies use coupons, flyers, or telemarketing to announce discounts on some part of the home security system. These offers could include free installation if you buy a certain system, a free month of monitoring if you sign a long-term contract, or some other “money off” offer.
- **Fear tactics.** Sales representatives often quote crime statistics for your neighborhood and encourage you to purchase a system by telling you that houses without systems are more likely to be burglarized, or suggesting that by not having a security system you are putting your family at risk.
- **Bait and Switch.** Some companies advertise a low price or give you a low quote, and later will try to sell you a bigger system. For example, the price quoted might include three sensors, but they may later say you really need six.

### You Have a Right to Cancel the Contract

If a door-to-door salesperson sold you a security contract, you have the right to cancel it within three business days, for any reason. They must provide you with a written notice of this right to cancel at the time you enter the contract.

### Making a Decision

As with any purchase, you should evaluate your needs and compare prices before you make a decision. When deciding whether you want a home security system, don’t be persuaded by fear tactics or promises of deals and savings. Don’t allow yourself to be pressured into making a quick purchase to take advantage of a “one-time only” price cut, or something you have “won.” Although sales representatives might try to persuade you that your home is not safe without a security system, you need to decide for yourself.

When deciding, also consider convenience. False alarms could also cost you money – some jurisdictions charge you money for their emergency services departments responding to your false alarms. False alarms may also annoy your neighbors. You may have to arm and disarm the system each time you leave or enter the house, or open a window. Some people find the system is more trouble than they had anticipated.

If you do feel you need a security system, compare systems and complete costs. Complete costs will



include hardware and monitoring, if necessary. You may be able to negotiate prices, but make sure you are comparing the same items in each estimate. You may be able to negotiate such things as installation cost, monthly monitoring fee, contract length, and equipment cost, but be sure to get all estimates and promises in writing.

Finally, when you decide on a company, read the contract carefully before you sign to be sure you understand all of the terms. Once you’ve signed the contract, you are generally obligated to its terms for years to come.

## 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  
En español: 410-230-1712  
9 a.m. to 3 p.m. Monday-Friday  
[www.marylandattorneygeneral.gov/Pages/CPD/](http://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](http://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](http://www.marylandattorneygeneral.gov/Pages/contactus.aspx)

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