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# CONSUMER ALERT

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ATTORNEY GENERAL

The Attorney General provides Consumer Alerts to inform the public of unfair, misleading, or deceptive business practices, and to provide information and guidance on other issues of concern.

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## PROTECT YOURSELF WHEN A BUSINESS SUDDENLY CLOSES

Consumers need to act quickly to protect their rights and to help the Attorney General's Consumer Protection Division investigate, and hopefully resolve, disputes that arise when a business suddenly closes.

### THE FIRST STEP: LIMIT YOUR FINANCIAL LOSS

When faced with the sudden closure of a business, consumers who made purchases but have not received all of the goods or services they contracted for, should immediately determine their method of payment and act accordingly:

- If you paid with a credit card, contact your credit card company to dispute the charges and have all related charges removed from your bill. You should be able to find information regarding how to dispute charges on your monthly statements.
- If you paid by check, contact your bank to determine if you can stop any payment.
- If you arranged for long-term financing, contact the financing company and dispute any payment for goods or services that have not been delivered.
- If you arranged for some form of automatic payment plan, contact your bank or credit union to immediately stop any future withdrawals from your account.

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Michigan Attorney General Consumer Alerts are available at [www.michigan.gov/ag](http://www.michigan.gov/ag)  
Toll free 1-877-765-8388

## **THE SECOND STEP: FILE A COMPLAINT IF A BUSINESS CLOSES AND THEY FAIL TO DELIVER GOODS OR SERVICES**

If a business unexpectedly closes, and they fail to deliver goods or services, you should file a complaint as soon as possible to help minimize any potential loss and maximize the Consumer Protection Division's ability to intervene. The Consumer Protection Division will try to recover as much as possible for consumers before a business files for bankruptcy.

- Call the Attorney General's Consumer Protection Division at 1-877-765-8388, and file an online Consumer Complaint using our website: [www.michigan.gov/ag](http://www.michigan.gov/ag)
- If a business is located out of state, also file a complaint with that state's Attorney General.
- Gather receipts, invoices, or bills that show what items were ordered, what you paid, and when delivery was promised.
- Document all transactions in order to assist investigators and to support any possible legal claims.
- Keep any phone records or any notes that indicate which company employees you spoke with and when those conversations occurred.
- Try to contact the company's headquarters or "customer service" line or use their website to lodge a formal complaint with the company.

## **CONSIDER THE POSSIBILITY OF A BUSINESS CLOSURE BEFORE PURCHASE**

Consumers should consider the possibility of a business closing before they make a substantial purchase and take steps to limit any potential loss should something happen to the business before any goods or services are delivered. Although it is possible for businesses to suddenly close without any past history of trouble, some research before a purchase can help you avoid many problems.

- Check with the Attorney General's Consumer Protection Division and the Better Business Bureau to see if the company has a history of problems.
- Use popular Internet search engines and consumer sites to look for information about unresolved consumer complaints and other problems.

- Consider how long the business has been in the current location, the business's track record, the general health of that type of business and any key skilled employees, whether the business seems busy, and the reputation of the business in the community.

## **LIMIT DOWN PAYMENTS AND BE WATCHFUL OF PROBLEMS**

Consumers should always limit the amount of money paid up-front:

- If the item you are ordering cannot be delivered immediately, pay only a small down payment – 10 or 20% – just enough to secure the order, while minimizing your loss if the business suddenly closes.
- Consider using a credit card instead of cash, especially if the item is supposed to be delivered in the near future. Credit card charges can be disputed and reversed for goods or services that have not been delivered. Note that consumers are often limited to a 60-day period for disputes.
- Make sure your receipt or invoice lists exactly what you have ordered (brand name, model number, color, size, and other details) and also lists all advance payments.

Problems can appear in multiple forms, but some of the most common include missed delivery dates, requests for extra money before delivery, and changing stories about delivery delays. Swift action can be the difference between holding a refund and holding the bag.

## **COMPLAINTS**

Consumers may file a complaint with the Attorney General's Consumer Protection Division:

Consumer Protection Division  
P.O. Box 30213  
Lansing, MI 48909  
517-373-1140  
Fax: 517-241-3771  
Toll free: 877-765-8388  
[www.michigan.gov/ag](http://www.michigan.gov/ag) (online complaint form)

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