



## Dealing with Billing Errors

The Fair Credit Billing Act (1974) gives you particular rights when dealing with billing errors.

- The law sets up a procedure for the quick correction of mistakes that appear on consumer credit accounts.
- You can challenge a billing statement for errors such as charges for unauthorized purchases, charges for items that were never delivered, and failure to credit a payment.
- You must notify the creditor of a disputed item within 60 days.
- The 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 has 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 include:

**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 it is 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.