



Considering Layaway to Purchase a Gift? Read the Terms

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MADISON – Looking to land this year’s hot holiday gifts or spread out the payments for an expensive item? Layaway may be your best bet. And while it may seem too early to talk about holiday shopping, the major retailers are already launching their annual layaway programs.

“Under a layaway plan, a store holds your item while you make partial payments toward the final price. What complicates matters is that different businesses have different policies,” said Michelle Reinen, Director of the Bureau of Consumer Protection. “Remember that this is a formal agreement you sign with a business, and you are responsible for understanding the store’s policies before you agree to a layaway plan.”

Some retailers offer consumers the opportunity to shop at brick-and-mortar stores for their items and make the layaway payments online, but layaway on an online purchase may have different terms from those in the store. For example, physical stores may require you to make incremental payments within certain monthly timeframes, but the online layaway terms may require automatic withdrawals from your checking account or through a third-party payment service. Read the fine print on the website closely and call the company's customer service line if you have any questions before you make an initial payment.

Consider these tips when researching a layaway program:

- Ask about service or setup fees.
- Find out how much time you have to make all of the required payments, when the payments are due and the minimum payment required.
- Ask what happens to the contract if you are late or miss a payment. Are there penalty fees? Will your contract be cancelled? Will the merchandise be returned to inventory?
- Ask if the business makes adjustments to your required payment amount if the item goes on sale after you start the layaway process.
- If you decide you don't want the merchandise after you've made some or all the payments, can you get a refund? Ask upfront. While most stores will allow you to cancel a layaway agreement, you will likely lose any initial service fees and there may be an additional cancellation fee.
- Retailers' refund policies may differ: some give you all your money back; others may charge a non-refundable service fee; others may offer a merchant credit for the amount you paid.
- If you buy a gift with layaway, will the gift recipient have unique return terms? Ask upfront.

Get the merchant's layaway policy in writing and keep receipts of the payments you make on the merchandise. These documents may come in handy if you have a problem with the seller.

For additional information or to file a complaint, visit the Consumer Protection Bureau at datcp.wi.gov, call the Consumer Protection Hotline at 800-422-7128 or send an e-mail to datcphonenumber@wi.gov.

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