



## Gift Cards: What You Need to Know

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MADISON – Gift cards are at the top of many shopping lists this time of the year as they offer convenience, ease of use, and flexibility for shoppers and recipients alike. But before you load up your cart with these plastic wonders, remember that there are some dos, don'ts and potential scam traps to consider when it comes to gift cards.

The Wisconsin Department of Agriculture, Trade and Consumer Protection asks shoppers to take steps to ensure that card recipients get the full value of the gift and to watch out for phony promises of cut-rate or free gift cards.

“While shoppers may be drawn to second-hand card sales and online and text message offers for free gift cards, we ask they approach these options cautiously,” said Michelle Reinen, Director of the Bureau of Consumer Protection.

### *“Free card” scams*

Gift cards have been used as the bait in a number of social media, text message and email scams.

- Be on the lookout for requests for mobile phone numbers tied to promises of (bogus) free gift cards. Scammers have been known to place monthly subscription fees for a variety of “services” on consumers’ phone bills without authorization.
- Watch out for free gift card promises in exchange for completing surveys. In a widespread scam, social media messages and spam texts and emails promised gift cards from a major retailer in exchange for completing a (phony) survey. Respondents never received a gift card and the information they provided in the “survey” may have been sold by scammers to marketers or other scammers and identity thieves.
- If you receive an unsolicited message promising a free gift card, do not click any links and delete the message.

### *When buying a gift card:*

- Inspect the packaging before you purchase a card to ensure that no protective stickers have been removed and that the pin number has not been exposed.
- Read the fine print on the card to ensure that you understand any rules on usage and associated fees. Federal rules require fees to be disclosed prior to purchase.
- Always give an activation receipt with the card to verify its value and the date of purchase.
- If you are considering buying an unused gift card secondhand at a swap or exchange, purchase it from someone you know and trust. Used or unwanted gift cards show up for sale online through auctions and classified ads, and while some cards may be legitimate, others may be drained of their value, may have been stolen from a store and never activated at a register or may be counterfeit.

### *If you receive a gift card:*

- Use a card as quickly as possible. If a store goes out of business, your gift card could be rendered useless.
- Make sure to hold onto gift card receipts until the entire value of the card has been spent.

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- Unused cards may be subject to inactivity fees, draining the value of the gift. By federal law, dormancy and service fees are allowed if the recipient has failed to use the card for more than one year. After that, fees are limited to one per month, but there is no limit on the amount of the fee.
- Keep your cards safe. Contact the issuer immediately if you lose a card or if it is stolen. Be aware that you may not be able to replace it, and that some issuers may charge a replacement fee.

For additional information or to file a complaint, visit the Consumer Protection Bureau at [datcp.wi.gov](http://datcp.wi.gov), send an e-mail to [datcphotline@wi.gov](mailto:datcphotline@wi.gov) or call the Consumer Protection Hotline toll-free at 1-800-422-7128.

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