



## Layaway: Read Up Before You Put Money Down

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MADISON – Forget about Halloween...with Labor Day behind us, it is time to start talking about holiday shopping.

How is that even possible? Layaway.

Many businesses offer layaway programs to give shoppers a chance to lock down the season's hottest gifts without needing to pay in full upfront, and at least one major retailer has already launched its holiday layaway program. The Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP) asks shoppers to study up on a store's respective policies before agreeing to a layaway plan.

"Layaway is a simple concept: a store holds an item for you while you make partial payments toward the final price. But different stores have different policies, and that can make things confusing for shoppers," said Frank Frassetto, Division Administrator for Trade and Consumer Protection. "Layaway is an agreement you make with a store, so carefully review any documentation the business provides to ensure that you are following the specific terms of its program."

"In particular, make sure you know about potential early cancellation fees or other penalties you could face before you sign an agreement and make a down payment," said Frassetto.

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?
- 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.
- Ask if the business makes adjustments to your required payment amount if the item goes on sale after you start the layaway process.
- 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.wisconsin.gov](http://datcp.wisconsin.gov), call the Consumer Protection Hotline at 800-422-7128 or send an e-mail to [datcphotline@wisconsin.gov](mailto:datcphotline@wisconsin.gov).

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