



Layaway: Different Stores, Different Rules

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MADISON – Layaway is underway at many stores throughout Wisconsin. This popular offering allows shoppers to lock down the most exciting gifts of the season by putting them on hold while they pay off the item in segments. Layaway is typically a fairly cut-and-dry process, but variances in fees and policies between retailers can make things confusing for a consumer. To avoid any surprises, the Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP) asks shoppers to study up on each store’s respective policies before agreeing to a layaway plan.

“Some stores require a setup fee in order to kick off a layaway plan, and you could get hit with a cancellation charge if you need to back out of the agreement,” said Frank Frassetto, Division Administrator for Trade and Consumer Protection. “Because these types of details vary by retailer, you need to read and understand any layaway documentation the store provides before you make an agreement and an initial payment.”

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 scheduled 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 a down payment.

DATCP offers the following tips to help research a layaway program:

Layaway terms:

- 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 about service or setup fees.
- 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?

Refund policies:

- 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.
- Retailers’ 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.

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, call the Consumer Protection Hotline at 800-422-7128 or send an e-mail to datcp hotline@wisconsin.gov.

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