

Dear Tom,

Recently I purchased a computer on-line which was charged to my VISA debit card. It was not what I ordered and was defective. When I took it to an authorized dealer, I discovered that the manufacturing date was altered and it was ineligible for service - even though I paid for an "extended warranty".

I filed a dispute with my bank and returned the computer. It's been two months and my bank has still not credited the funds back to my account. The bank reports that it has "taken too many losses from VISA cards", so it is waiting for the company to credit me the money!

Upon investigation, I discovered the company has an "F" Better Business Bureau rating and a history of defrauding consumers. I forwarded this to my bank, but they are not budging. I have filed complaint with the Attorney General in the state where the company is located, as well as the Better Business Bureau. They responded, but I'm still out the money.

Once I had a similar problem with my credit card and received a credit right away. Is a debit card different? What can I do to get my bank to give me my money back? Does a consumer have any rights?

*Signed,
Defrauded and Depressed*

Dear Double D,

I wish I had better news. Debit cards may look similar to credit cards, but they work differently. As island consumers, many of us purchase online or over the phone. You should note that you have much stronger rights with credit cards than debit cards. Be aware of your rights and take precautions to reduce the chance of encountering problems. Generally when buying over the internet or by phone use a credit card. In addition to greater legal liability protection with a credit card, you have greater legal protection if goods are defective or don't arrive.

When a problem arises from a purchase made with your debit card, initially try to resolve the dispute with the merchant. If the merchant doesn't address your concerns, ask your card issuer for help. In most cases you'll be bound by the merchant's policy on returns and defective merchandise, so before you make important purchases ask how returns and defective merchandise claims are handled. Also do you research on the company before you buy. Dispute resolution only applies to debit card purchases made with a signature. This is an important consideration in deciding whether or not to have a debit card which requires you to sign.

If you cannot resolve your debit card problem with the merchant or your bank, you should write the Board of Governors of the Federal Reserve System, Division of Consumer and Community Affairs (jeanne.m.hogarth@frb.gov) and the Office of the Comptroller of the Currency (Customer.Assistance@occ.treas.gov).

Caveat Emptor,
Tom

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