



Chapter  
2

# KNOWING YOUR CONSUMER RIGHTS

## **In This Chapter, Learn:**

- How to Resolve a Complaint with a Business
- What to do Before Signing a Contract
- About Verbal Contracts
- How to Write a Simple Contract
- Your Utility Rights
- How to Dispute a Collection Debt
- The Basics of Bankruptcy
- About Much More

# COMPLAINTS

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## How do I resolve a complaint with a business?



So you have a problem with a business. Maybe it was a contractor who didn't do a good job, or a company that didn't give you your money back. If this happens you may try the following: call the business and try to work it out, write a demand letter, call the Better Business Bureau (BBB) and the Utah Division of Consumer Protection, and, in some cases, it may be appropriate for you to file a lawsuit.

### **Try Working It Out**

- Your first approach should be to resolve this issue directly with the business.

### **Write a Demand Letter**

- If you are unable to work out the issue, a demand letter states your complaint and explains how you want the company to resolve the issue.

### **File a Complaint with the Utah Better Business Bureau**

- If you have a dispute with a company, you can file a complaint with the Utah Better Business Bureau. The BBB acts as a mediator between the consumer and the company.

## File a Complaint with the Utah Division of Consumer Protection

- If you have questions about a specific transaction, you may contact the Utah Division of Consumer Protection. If it is determined that your complaint involves a matter that is handled by this Division, you can fill out the Complaint Form. (The Division handles telemarketing fraud, identity theft, and door-to-door sales, among many other types of consumer issues.) Send the complaint with relevant documents supporting your claim.



### Utah Small Claims Court

- If your claim (the amount you are seeking) is \$10,000 or under, you can file a lawsuit in Utah small claims court. You do not need an attorney to sue in small claims court.

## DEMAND LETTER

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How do I write a demand letter?



### Use the Following Tips to Write a Good Demand Letter.

- Try to keep the letter to one page.
- Address the letter to the company's president.
- On the envelope write in bold "for immediate and personal attention."

- Provide a copy of the letter to the BBB and other consumer protection organizations, such as the Utah Division of Consumer Protection.

The letter should have four main parts.

### **Say Something Positive**

- Start the letter by stating something positive about the company. For example, discuss how long you have been a satisfied customer.

### **State the Problem**

- Be specific: include the date it occurred, what happened, and whom you spoke to in the company about the issue.

### **Tell Them What You Want**

- State what you expect the company to do in return (for example, an apology, refund, exchange) and when you would like a response.

### **Include Your Contact Information**

- Include your contact information so that the company can reply to your letter.

# CONTRACTS

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## What should I do before signing a contract?



- When buying, selling, or trading goods or services you enter into a contract. Many people never read the contract before signing it, which makes them unsure as to the agreed-upon legal and financial obligations.
- Before you sign a contract, stick to this important rule — read and understand every word in the contract.
- If you don't understand any part of the contract, ask questions or consult an attorney or knowledgeable friend.
- If you need more time, take a copy of the contract to review before you sign it.
- If there are blank spaces in the contract to be filled in later, don't sign the contract.
- If you and the other party agree on something that is not written in the document, add it to the contract. All parties must then initial the change.
- If you sign a contract, keep a copy.

## What if I make a verbal contract?



People often make verbal contracts. You might loan a friend some money or sell a TV to a neighbor on a verbal agreement. While many verbal contracts are legally enforceable, they are very difficult to prove. It is wise to put any agreement in writing.

## When should I have a written contract, and do I need an attorney for it?



You should request a written contract whenever you make a major purchase, take out a loan, arrange for home repairs, or buy or sell real estate. If the contract is complex, you should ask an attorney to review it. Remember that it would be better and cost less to have an attorney review the contract before signing it than to have an attorney represent you in court afterwards because you signed a contract that you should not have signed.

## How do I write a simple contract?

For small simple sales, such as the sale of a TV to a relative or neighbor, you should be able to draft a simple written contract yourself. There is no special language needed, but you should include the date and terms of the agreement and have all parties sign it.

# UTILITIES

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## Can a utility company shut off my service?

**If you don't pay your bill, the utility company can terminate your service. The**

**utility company must take the following steps before terminating your service\*:**

- Give you information on how you can avoid termination, such as how to set up a deferred payment plan, and how to request an extension based on a medical necessity.
- Notify you, a residential customer, in advance before shutting off your service: seven days for the phone utility companies and ten days for other utilities.
- Contact you by mail, telephone, or personal visit at least two days before terminating your service.
- During the winter months (October 1 to March 31), non-telephone utility companies must contact you by either telephone or a personal visit to your residence.
- Continue your services for a specified time period (usually no more than 30 days) if someone in your household is seriously ill and you provide a doctor's statement showing that shutting off services will aggravate the illness.

(\*This does not apply to wireless phone service)

**What if I have a dispute with a utility company?**

The first thing you should do is contact the utility company to tell them you have a dispute. If the dispute is over a bill, you should continue to pay the non-disputed part of the bill.

If you are unable to resolve the dispute, you can file an informal complaint with the Utah Division of Public Utilities.

# DEBT COLLECTION

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## What happens if I can't pay my bills?

If you are late in paying your bills, loan, or mortgage, your account might be sent to a collection agency. While you are obligated to pay your bills, the Fair Debt Collections Act regulates what a collection agent can and cannot do.

## What can't debt collectors do?

### **Generally, Debt Collectors Cannot:**

- Call you before 8 a.m. or after 9 p.m., harass you, or use profane language.
- Call you at work if they know your employer prohibits calls.
- Contact you after you have told them in writing to cease contact, except to tell you they are taking a specific action regarding the debt.
- Contact friends or inform others that you owe money.
- Threaten to take your property unless it is legal to do so.
- Threaten to file criminal charges or harm you.
- Collect your Social Security to pay your debt.

If I dispute the debt what should I do?



**Within five days of first contacting you, the collector must tell you the following in writing:**

- How much you owe.
- The name of the creditor (whom you owe).
- What you can do if you dispute the charge.
- Unless you dispute the debt within 30 days, it will be assumed valid.
- If you dispute the debt, you must write to the collection agency within 30 days of receiving the first letter. To provide proof that you sent the letter send it by certified mail with return receipt requested. Upon receiving your letter, the collection agency will send you verification of the debt. The debt collector must stop contacting you until they send that verification.

## BANKRUPTCY

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What does it mean to file for bankruptcy?

When you file for bankruptcy you are stating that you don't have enough money to pay your bills and outstanding loans. Bankruptcy, when used properly, is a way to start a clean slate, reduce your debt, or develop a debt repayment plan.

## Is filing for bankruptcy a good idea?

Bankruptcy should only be considered when you are in dire need. You need to consider the burden you cause to others when you are unable to pay your financial commitments. Also, bankruptcy affects your credit for up to 10 years. It will be difficult to obtain credit, a loan, or a mortgage. If you are able to get a loan, it may be at a higher interest rate.

## Are there alternatives to filing for bankruptcy?

One alternative to bankruptcy is to negotiate a debt repayment plan or loan modification with your creditors.

## What are the types of personal bankruptcy?

There are two common types of consumer bankruptcy — chapter 7 and chapter 13 under the Bankruptcy law. Whether you file a chapter 7 or chapter 13 case will depend on your situation, your income, and what kind of debt you have.

In a chapter 7 case, a bankruptcy trustee will sell your non-exempt unprotected property (e.g., stocks, bonds), if any, and distribute the money to your creditors. In a chapter 13 case, you ask the court to approve a debt repayment plan, where you pay all or a portion of your debts over three to five years.

## Can I file for bankruptcy without an attorney?



While an individual can file for bankruptcy without an attorney, the new bankruptcy laws are complicated. Missing an important deadline or filing can affect your rights. Hiring an attorney is recommended.

# MORE INFORMATION

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## COMPLAINTS

### **File a complaint against a company**

Utah Division of Consumer Protection

800-721-7233

801-530-6601

[www.dcp.utah.gov](http://www.dcp.utah.gov)

Better Business Bureau of Utah

800-456-3907

801-892-6009

[www.utah.bbb.org](http://www.utah.bbb.org)

Federal Trade Commission

877-FTC-HELP (382-4357)

[www.ftc.gov](http://www.ftc.gov)

## SMALL CLAIMS COURT

### **Information on filing a small claims suit**

Utah State Courts' Self-Help Resource Center

[www.utcourts.gov/selfhelp](http://www.utcourts.gov/selfhelp)

## UTILITIES

### **File a complaint against a utility company**

Utah Division of Public Utilities  
PO Box 146751  
Salt Lake City, UT 84114-6751  
800-874-0904  
801-530-7622 (SLC)  
[www.publicutilities.utah.gov](http://www.publicutilities.utah.gov)

## BANKRUPTCY

### **Information on bankruptcy, such as how and whether you should file**

Utah Legal Services  
800-662-4245  
801-328-8891  
[www.utahlegalservices.org](http://www.utahlegalservices.org)

American Bankruptcy Institute  
[www.abiworld.org](http://www.abiworld.org)