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Federal Trade Commission

16 CFR Part 435

Mail or Telephone Order Merchandise Rule

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I agree with the new proposed rule making for Mail or Telephone Merchandise Rule because with technology and commercial changes there is a need to address new rules that weren't previously needed.

Buyers' experiences with refunds will differ depending on the payment that is used to purchase the goods from the seller. If a buyer uses a check or a money order to purchase goods and not an electronic check then the buyer will receive a refund in the form of cash mailed back to them.

When an electronic check or a credit card is used the buyer will receive a refund in the form of a wire transfer that will be credited back to the buyers account. Now, as for the payment of cash, I am not sure that anyone would send cash for goods to be purchased over the internet or by mail order catalogue. In this economy and just in general it would not be a wise idea for a buyer to purchase something in cash and then wait for the seller to send the merchandise. Using cash to pay for a merchandise without a receipt or proof of payment would not provide a refund to the buyer because the seller could say that they never received payment for the merchandise. And refunds in the form of gift cards are refunded by a gift card or a store credit. When a buyer uses a gift card to pay for merchandise they will not receive cash back. How a buyer pays for merchandise is how the buyer will receive a refund from the seller.

In this day and age and with technology continuing to grow, there are many different ways for a seller to supply a refund that is as fast if not faster than first class mail. A seller can provide a refund by electronic transfer; a seller can provide the refund electronically back into a buyer's savings or checking account. This form of refund could be processed by the same or next business day. Another refund is crediting a credit card that was used for purchasing; crediting a credit card could also be received by the buyer before first class mail or the equal amount of time. Electronic refunds/wire refunds can cost the seller more because they would have to pay wire transfers to apply the refund back to the buyer's account. This can put an undue burden on the seller to provide a refund this way because it could be more costly than just sending a refund first class mail.

In my past experience from purchasing many items from different retailers over the past five years, when I use a credit card, sellers will not process payment for goods until I have received an email that the goods I have requested are ready for shipment and tracking information is provided. Prior to doing the research on this proposed rule, I didn't understand when I purchased merchandise over the internet I was not billed immediately. I have come to learn that if the seller was not able to ship the merchandise that I had ordered and had already debited the money from my credit card it could put an added cost on the seller if a refund was needed.ⁱ

I believe that this rule does provide added value to the expanding technology that is involved with Mail or Telephone Order Merchandise. As the retail sites expand on the internet, this rule will help provide guidance to retailers to provide the best customer service to potential buyers and will help to eliminate fraud with sellers who are not providing goods or refunds to buyers'.

¹<http://www.sitepronews.com/2011/12/05/ftc-seeks-to-regulate-online-merchants-with-proposed-changes-to-mail-order-rule>