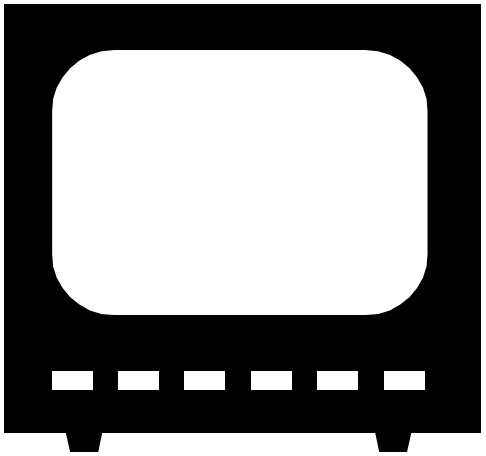
Facts
for Consumers

Infomercials



Federal Trade Commission
Bureau of Consumer Protection
Office of Consumer & Business Education
(202) FTC-HELP www.ftc.gov

August 1996

What looks and sounds like a TV show —but isn't? Probably an advertisement called an infomercial.

Many infomercials have the look, feel, and length of real TV programs, often imitating the format of genuine talk shows or investigative consumer news programs. The product being sold may be discussed as part of the program and promoted by paid "experts," "moderators," or "reporters." These "shows" usually last 30 minutes or longer and may even be interrupted by realistic-looking "advertisements" for the product with ordering information. Because of these similarities, consumers may find it difficult to tell the difference between an infomercial and an independent TV program.

As part of its job monitoring national advertising, the Federal Trade Commission (FTC) investigates infomercials that don't disclose their true advertising nature or that make deceptive claims about products.

How to Spot an Infomercial

There's nothing illegal about using infomercials to advertise products. But it's important to remember that product claims made on such programs are those of the advertiser. They are not objective or independent evaluations of the product. Here are some tips on how to spot a paid advertisement.

- *Look for commercials similar to the program content.* Infomercials promote products or services in "commercial breaks" that relate to issues discussed on the rest of the show. For example, a "program" about credit problems may discuss services that promise to repair a consumer's poor credit rating or a program about sunglasses may sell sunglasses. Ordering information, such as a toll-free number or a mail address, usually is shown during the "program." Sometimes this is done as a "program" interruption. As a general rule, assume that any "program" that provides ordering information for a specific product or contains commercial interruptions to promote products related to the "program's" content is a paid advertisement.

- *Check for sponsor identification.* The Federal Communications Commission requires television stations to disclose who is paying for an infomercial—at its beginning or end. Look for that identification to determine whether the sponsor has a financial interest in the products discussed.

- *Be careful in evaluating health claims or "get rich quick" claims in infomercials.* Health and financial products are two big areas where some advertisers feel consumers may spend their dollars for promising, but sometimes less than tried and true, products

and services. That's why infomercials devoted to weight loss, skin care, “get rich quick,” and similar schemes are popular with sponsors. These ads often promise great results with little effort or risk.

- *Be aware that celebrities and "experts" who endorse a product are often being paid by the advertiser.* Many legitimate television shows discuss and evaluate products and services. Sometimes, however, this format is used in infomercials that simulate the appearance of impartial evaluations of advertised items. For example, the product may be recommended by experts or celebrities. Be aware that these people are often paid for their appearances. Consumers from the studio audience are often pre-selected by the advertiser. These techniques are just part of an overall sales pitch. If the product is treated in this manner and the program provides information about how to order, it's probably a paid advertisement.

How to Protect Yourself If You Buy Something

If you decide to purchase a product advertised on an infomercial, you have certain protections under the Mail and Telephone Order Merchandise Rule, and the Fair Credit Billing Act if you pay by credit card.

Ordering or Paying by Mail or Telephone

By law, a company should ship your order within the time stated in its ads. If no time is promised, the company should ship your order within 30 days after receiving it.

If the company is unable to ship within the promised time, the company must give you an “option notice.” This notice gives you the choice of agreeing to the delay or canceling your order and receiving a prompt refund.

There is one exception to the 30-day Rule: If a company doesn’t promise a shipping time, and you are applying for credit to pay for your purchase, the company has 50 days after receiving your order to ship.

Fair Credit Billing Act (FCBA)

When you use your credit or charge card to pay for purchases, whether by phone, mail, or in the store, you are protected by the FCBA.

Billing errors

If you find a billing error on your monthly credit or charge card statement, you may dispute the charge and withhold payment on the disputed amount during the dispute period. The error might be a charge for the wrong amount, or for something you did not accept or was not delivered as agreed.

If you decide to dispute the charge, follow the steps below. Of course, you still must pay for any part of the bill that is not disputed, including finance charges on the undisputed amount. To be protected by the FCBA, you must:

- *Write* to the creditor at the special address indicated on the monthly statement for “billing inquiries.” Include your name, address, and credit card number, and describe the billing error.

- Send your letter soon. It must *reach* the creditor within *60 days* after the first bill containing the error was *mailed* to you.

The creditor must acknowledge your complaint in writing within 30 days after receiving it, unless the problem has been resolved. The creditor must resolve the dispute within two billing cycles (but not more than 90 days) after receiving your letter.

Unsatisfactory goods or services

If you find a product unsatisfactory, you also may dispute the charge for the product and withhold payment on the disputed amount during the dispute period. Again, you must pay for any part of the bill that is not disputed, including finance charges on the undisputed amount. To take advantage of this protection regarding the quality of goods, you must:

✓ have bought the item in your home state or within 100 miles of your current

billing address. The amount charged must be more than $50.

- ✓ make a good faith effort first to resolve the dispute with the seller. You are not required to use any special procedure.

The dollar and distance limitations don't apply if the seller also is the card issuer or if a special business relationship exists between the seller and card issuer.

For More Information

If you have questions about this issue or think that an infomercial you have seen has not been properly identified or is making deceptive claims, write to: Consumer Response Center, Federal Trade Commission, Washington, DC 20580. The information you provide may indicate a pattern of possible law violations requiring action by the Commission. For single free copies of the FTC brochures, **Shopping by Phone or Mail** and **Fair Credit Billing**, contact: Consumer Response Center, Federal Trade Commission, Washington, DC 20580; 202-FTC-HELP (382-4357); TDD: 202-326-2502. You also may access FTC publications on the Internet at **www.ftc.gov**.