

UNITED STATES OF AMERICA FEDERAL TRADE COMMISSION WASHINGTON, D.C.

Bureau of Consumer Protection Division of Marketing Practices

November 2013

Via Federal Express

[Company Name] [Attn: President or CEO] [Address]

Subject: Compliance Warning – Pre-Sale Availability Rule

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The FTC's Pre-Sale Availability Rule, 16 C.F.R. Part 702, requires that written warranties on certain consumer products be available to consumers before they buy. The FTC promulgated the Rule to ensure that consumers have complete and accurate warranty information available prior to sale so that they can make fully informed purchasing decisions. The Rule applies to all warranted consumer products costing over \$15, irrespective of how the products are sold, whether through brick-and-mortar stores, mail order, the Internet, or other means.

Generally, the Rule requires sellers to make warranty information readily available to consumers either by: (1) displaying the warranty document in close proximity to the product or (2) furnishing the warranty document on request and providing notice of the warranty document's availability as specified in the Rule. For online sales, the requirement to make warranties available at the point of purchase can be accomplished easily by, for example, using a clearly-labeled hyperlink, in close proximity to the description of the warranted product, such as "get warranty information here" to lead to the full text of the warranty.

We have surveyed several warranted consumer electronics and appliances sold directly by [COMPANY] through [COMPANY'S WEBSITE] and found instances where complete warranty information was not fully disclosed in close conjunction with the warranted product, or otherwise made available to consumers pre-sale. Although our survey was limited to electronics and appliances, your company's obligations extend to all warranted consumer products that cost more than \$15. Please review the [COMPANY] website and take the steps necessary to ensure it is in full compliance with the Rule.

¹ See FTC, .COM DISCLOSURES: HOW TO MAKE EFFECTIVE DISCLOSURES IN DIGITAL ADVERTISING (2013), available at http://www.ftc.gov/os/2013/03/130312dotcomdisclosures.pdf, fn7.

We plan to revisit the [COMPANY] website after 90 days. By sending this letter, we do not waive the FTC's right to take law enforcement action and seek appropriate injunctive and monetary remedies against [COMPANY] based on past or future violations.

Further information about the Pre-Sale Availability Rule and other requirements under the Magnuson-Moss Warranty Act is available at http://www.business.ftc.gov/documents/bus01-businesspersons-guide-federal-warranty-law.

Thank you for your attention to this matter. Please direct any inquiries concerning this letter to Svetlana S. Gans at sgans@ftc.gov or (202) 326-3708.