

Don't let these ad traps catch you

WANT TO SAVE 50 percent, get a product free, or have a manufacturer's warranty cover an expensive purchase for life? Of course you do, and advertisers know it. Federal and state laws generally ban the use of misleading or deceptive advertising, but regulators can't monitor everything, and seductive half-truths and outright deceptions are common.

So it's up to you to figure out what's true, what's false, and what's pushing the envelope. Read the fine print to find out about limitations. And here are some advertising terms you shouldn't take at face value:

▣ Satisfaction guaranteed

Federal Trade Commission guidelines say that companies should use "satisfaction guaranteed" or "money-back guarantee" only if they're willing to give full refunds to unhappy customers. The guidelines say that companies must disclose any conditions or limitations, such as a time limit.

Some companies' satisfaction guarantees are friendly. The website of retailer Lands' End says you can return any product you're not happy with at any time for a full refund or exchange. But others are less so. Under Michelin's 30-day satisfaction guarantee, if you're not 100 percent satisfied with your new tires, you can return them—but for an exchange, not a refund. And if you're not 100 percent satisfied with the replacement tires, forget it—the policy applies only to the first set. Return certain items under the 30-day satisfaction guarantee from the retail eyeglass website GlassesUSA.com and you'll be charged a 20 percent restocking fee.

▣ Going out of business

New York City consumer officials recently fined a shop that sells rugs, antique furniture, and other items, accusing it of running a going-out-of-business sale without a license. The company, operating under a slightly different name, had held a going-out-of-business sale at the same location nine months earlier. But even at a legitimate going-out-of-business sale, don't assume everything's a deal. While checking out the Circuit City liquidation sale some years back, we found a copy of the weekly sales circular that would have been in effect had the chain had not gone belly-up. A 50-inch plasma television being liquidated for \$1,799 would have been on



sale for \$1,500. We also found a better price at a retailer that was not going out of business. Yet we saw lines of bargain-chasing customers snaking around the store.

▣ Lifetime warranty

The term "lifetime" has no legal meaning by itself. It can refer to a product's lifetime, not yours, and that could mean the period of time a retailer carries the item, the manufacturer still makes it, parts are available, or you still own it.

So if you're hoping to use that full lifetime warranty from Milgard Windows & Doors as a selling point when you market your home, you might be disappointed. In that case, "lifetime" means as long as you own your home. Sell it and the warranty for the new owners converts

to 10 years from the date the original warranty went into effect. And the unconditional lifetime warranty at umbrella maker Davek requires customers to register the product and to pay \$10 shipping and handling for a replacement.

▣ We will not be undersold

Many stores guarantee they have the lowest prices, promising to match or beat a competitor's price before or after you buy. But those promises often come with lots of restrictions in the fine print. Walmart stores won't match online prices, and Sears won't price-match Internet-only retailers. Home Depot and Lowe's guarantee that they will beat competitors' prices by 10 percent, but online retailers are excluded.

▣ Free

The word "free" is like a powerful aphrodisiac, so it's a favorite among retailers. FTC guidelines say that if you must buy an item to get something free, the price can't be inflated to offset the cost of the free item. And all conditions must be disclosed. But think about it: The regular price must be pretty steep for companies to give away stuff and still make a profit. Another catch is being asked to pay something to get a free item, such as additional shipping and handling that may equal or exceed the item's cost. Then there are "free trials" that aren't free at all when the company winds up charging your credit card for a monthly service without telling you that it will, such as the delivery of weight-loss pills, if you don't cancel in time.

How to avoid common gotchas

Various sales tactics require you to use your judgment and question anything that doesn't seem right before buying.

Always read store policies carefully before making a purchase. Whether it's a warranty, satisfaction guarantee, or anything else, make sure you understand the limitations and requirements. For example, you may need to have your receipt to make a warranty claim.

Don't blindly accept promises of low prices. Comparison shop by searching the Web for the product name and/or model number. If you do see a truly great price at a liquidation sale, try negotiating with a retailer that's not planning to pull

up stakes anytime soon. You might be able to get a deal that's as good as or at least close to the one being offered by the disappearing store.

Check out any retailer you're not familiar with. Search for a report at the Better Business Bureau (bbb.org). Look for at least a "B" rating, and examine the types of complaints customers have filed against the company, if any. And conduct a Web search using the retailer's name and such terms as "review" and "complaint."

Use a credit card when shopping. That way, if there's misrepresentation, an unauthorized charge, or a similar problem, you can file a dispute.