

The Gift that Keeps on Taking: Gift Cards

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Coast to Coast Data Search donates to the South Bay Industrial Claims Association luncheon raffle each month. I usually stop by the grocery store on my way to the event to pick up our contribution. Well, I forgot last month and didn't remember until I was at the luncheon. The lunch is in downtown San Jose, so I walked a couple of blocks to a drug store on the corner to get a raffle prize.

When I handed over the gift card, some of the people attending the lunch remarked that the federal government had just issued new rules on gift cards. So I thought I would look into it.

In the past, gift cards were only found at a retailer's location and at certain times of the year. However, with the ease and convenience of giving a gift card, 95% of Americans have either given or received a gift card. You can find cards just about anywhere from supermarkets to bait and tackle shops. But with its popularity there have also been a multitude of complaints about these give giving life savers.

A woman in Chicago tried to use her \$50 American Express gift card at a restaurant and found that it was only worth \$35. American Express had taken out \$15 for service charges. A man in California discovered that his Home Depot gift card could not be used online. Another consumer reported receiving a gift card that was purchased last year, but the gift was not given to him until a few months ago. When he tried to use the card, it was rejected. The company had been deducting \$2 each month as service fees.

New gift card laws were enacted on August 22, 2010 as part of [The Credit Card Accountability, Responsibility, and Disclosure Act of 2009](#) that was signed into law by President Barack Obama on May 22, 2009.

- Gift Cards will not expire for 5 years
- If the card has not been used for one year, inactivity fees can be charged
- Only one fee per month can be assessed
- Fees must be disclosed clearly at the time of purchase

For a completed breakdown of the law, read [The Credit Card Accountability, Responsibility, and Disclosure Act of 2009](#). The gift card regulations start on page 19. You can access it through the link above.

Although this is a good start, it is not a panacea. Remember when one hole is plugged another will sprout somewhere else, meaning that the card companies will find another way to charge us. So be smart, and read the fee disclosure before purchase.