

Protecting Wisconsin Consumers for 75 Years

In-home sales parties

In-home sales parties continue to grow in popularity. They vary from product to product and each company targets different ages and interests.

Most in-home parties begin with a demonstration to show all the positive aspects and uses of their products. When that is finished, the guests are then given a chance to purchase any of the company's products. If enough people purchase items the host can get free items.

These events can be a great opportunity to catch up with old friends and meet new ones, but there are things you should be aware of if you plan on attending or hosting an in-home sales party.

Use a reputable company

There are many companies out there that promise extravagant free offers if you host a party. However, the offers can fall short of your expectations. Working with a well-known, reputable company can help alleviate this potential problem.

Researching a company allows you to seek out the company instead of them offering you an in-home party when you are not

expecting it. You get a chance to check out the company and their products before deciding to host their party in your home.

To research a company, and see if there have been any complaints filed against them, you can contact the:

Bureau of Consumer Protection
at: **1-800-422-7128**

– and –

Better Business Bureau
at: **1-800-273-1002**
or visit: **www.bbb.org**

You can also look to see if the company has their own website. The website should provide plenty of information on their products and how they got started. If the company supports a group or cause, their website should also include that information. What many people do not realize is that you may be helping to support a group or cause that you do not agree with without even knowing it.

If the company does not have a website, the sales individual should have no problem giving you all of the information that you request. If for some reason they do not want to give you the information you are asking for or

if they keep putting things off, you should beware. That is a sign that something is not right and you should not host the party as the company may be a scam.

While researching a business may seem like a lot of work up front, it is worth the effort to protect both yourself and your friends who may attend the party.

Watch out for scams

While there are many reputable companies that have built their success on in-home sales parties, their success also drives an opportunity for scams.

One example is a scam geared towards newly engaged or married couples. The company gets a list of names from different websites or bridal shows. They lure couples in by promising a free vacation if the couple attends a cooking demonstration of pots and pans.

The sales pitch convinces them to purchase as much as \$2,000 in merchandise presented as top quality. Further, they are encouraged to purchase on credit. Knowing they will need pots and pans, couples sign up.

Later, the dream vacation becomes a nightmare with

disappointing vacation accommodations and the couple is left with an inferior product, high interest rates, and ruined credit.

Know your rights

Get everything in writing. Then, if the product does not perform as you expected, you know your options.

If the seller promises any warranties make sure you receive a written copy. Know what is and is not included in the warranty and how long it lasts.

Ask the demonstrator if the company has a return policy. If they do, get it in writing.

Do not forget that you have a three-day right to cancel on transactions initiated through face-to-face contact away from the seller's regular place of business.

Three-day Right to Cancel

The three-day right to cancel law requires the seller to give consumers two copies of a notice explaining the consumer's right to cancel within three business days. Do not forget that if you decide to exercise your three-day right to cancel, the cancellation notice must be in writing. You do not need a reason to cancel your purchase if it has a three-day right to cancel.

To exercise your three-day right to cancel, sign and date one of the copies of the cancellation form. Then, mail it to the address given for the cancellation. Make sure the envelope is postmarked before midnight of the third

business day after the contract date. Saturdays are considered a business day while Sundays and federal holidays are not. You will want to keep the other copy of the cancellation form for your records.

You may want to consider sending the letter via certified mail or hand delivering your cancellation notice because the mailing and delivery dates are important for proof that the company received your cancellation notice.

If the company fails to give you a cancellation form, you can write your own cancellation letter. It still must be postmarked within three business days of the sale.

Protect yourself

Here is advice from the Bureau of Consumer Protection:

- Be skeptical of sales presentations that try to lure you with a free vacation or other incentive.
- Do not sign a contract for pots and pans, a car or other major purchases without comparison shopping. Consumer Reports magazine is a good resource.
- Do not sign a contract if the product is to be delivered later. Your three-day right to cancel will be up before you can test the product at home.
- Before signing your name, check contracts over carefully and know the full price and interest rate of any purchase.
- Do not be talked into signing a contract until you have had time

to think it over and get advice from objective counselors.

Before buying products from a company or hosting an in-home sales party, call the Bureau of Consumer Protection and the Better Business Bureau and ask how many complaints are on file against the company.

For more information or to file a complaint, visit our website or contact the Bureau of Consumer Protection.

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