

FOR IMMEDIATE RELEASE
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State Representative Bill Straus (D- Mattapoisett) announced today that he has filed legislation that protects consumers from paying the hidden fees associated with one of the most popular gifts of this past holiday season.

Gift cards sold at many shopping malls during the recent holiday season are backed by major credit card companies such as Visa or Mastercard. Such gift cards have become increasingly popular but come with a variety of hidden service fees. Most of these cards include dormancy fees that kick in when the card is unused for a period of 6 to 12 months.

“These companies are charging anywhere from \$1.50 to \$2 per month when the card goes unused for a period of time,” stated Rep. Straus. “This is unfair to consumers because it reduces the value of the actual gift amount and therefore allows retailers to earn more money on the original purchase,” continued Straus. Eventually the dollar value of such gift cards is completely wiped out by these fees.

Representative Straus’ bill seeks to add these credit-backed gift cards to the recently passed Massachusetts gift certificate law, which lengthens the validity of store gift cards and certificates to 7 years. In doing this, the companies that produce these credit-backed cards will no longer be able to charge excessive fees to cardholders.

“This bill closes a loophole by including credit-backed gift cards to the recently passed gift certificate law.” said Representative Straus. He then added, “It only seems fair that consumers holding these types of gift cards should be able to redeem them for the full value.”

Representative Straus has been very active in the Legislature on consumer protection matters; he is the original sponsor and author of Massachusetts’ Telemarketing No-Call List law which has benefited over a million households in the state.

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