



DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
Office of Consumer Protection
News Release

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HAWAII RESIDENTS URGED TO SHOP SMART DURING HOLIDAY SEASON

Shoppers Should Know Rules for Gift Cards, Return Policies

HONOLULU – The State wants shoppers to be prepared as they head to the stores for the rush of holiday gift-buying. Many people are unaware of Hawaii's laws that govern the purchase of gift cards, gift certificates and store merchandise return policies.

"We are here to help the public if they find a store's policy is inconsistent with state law," Office of Consumer Protection Executive Director Bruce Kim said. "There are millions of dollars being spent in these weeks before the end of the year and we want to make sure that Hawai'i consumers have the information they need to make sound buying decisions and are treated fairly under the law."

Shoppers need to know that there are minimum expiration periods that apply to gift certificates. The date of issuance and the expiration date must be clearly identified on the face of the gift certificate, or, if a gift card with a banked dollar value, clearly printed on a sales receipt given to the customer at the completion of the purchase. Gift certificates in paper form are good for a minimum of two years from the date of purchase. If there is no clear expiration date on the front of the certificate, it is valid in perpetuity. If the gift certificate is sold as a card, it must be good for no less than five years from the date of purchase. Shoppers are advised to keep their receipts for gift card purchases. The receipt should confirm the amount of the gift card as well as its date of issuance.

Issuers such as stores, shops and restaurants that sell gift certificates can charge an activation or issuance fee. These fees cannot exceed the lesser of 10 percent of the face value of the card or certificate or \$5. Issuers cannot charge fees for dormancy or inactivity.

When it comes to returning merchandise, shoppers are advised to be sure they understand the merchant's policy before buying.

Merchants may establish one of four return policies.

- Refunds only
- Refunds or merchandise credit only
- Exchanges or merchandise credit only
- No refunds, merchandise credits or exchanges

Stores can have their own return policies, but their policies must be posted in conspicuous locations that are easy to find and read before a purchase is made. If there are no conspicuous signs, Hawai'i law requires merchants to accept the return of goods and provide a refund.

Merchandise credits must be good for a minimum of two years from the date issued.

Be aware that there could be special provisions or exclusions for specific types of merchandise, such as custom/special ordered goods, clearance, sale goods, holiday wear or seasonal items.

If consumers have questions, or if they wish to file a complaint, they can call the Consumer Resource Center at 587-3222 on O'ahu or e-mail the Office of Consumer Protection at ocp@dcca.hawaii.gov.

Neighbor Islands residents can call toll-free:

KAUA'I 274-3141, enter five digit extension code 73222.

MAUI 984-2400, enter five digit extension code 73222.

HAWAI'I 974-4000, enter five digit extension code 73222.

MOLOKA'I & LANA'I 1-800-468-4644, enter five digit extension code 73222

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Resources: <http://hawaii.gov/dcca/ocp/brochures/merchandise>

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