

GIFT CARDS AND GIFT CERTIFICATES

consumer *brief*

Most of us have given or received gift cards and gift certificates. According to www.statista.com, gift cards -both physical and digital- had projected U.S. sales to around \$173 billion in 2021.

NEW JERSEY'S GIFT CARD ACT

YOUR RIGHTS:

- The expiration date and the **dormancy fee**, if any, must be disclosed.
- While gift cards may expire after five years from issuance, the funds on the card **never expire**.
- If the remaining balance is \$5 or less, you may redeem that amount for cash.
- No **dormancy fee** can be assessed before 24 months of purchase or last use.
- After 24 months, a **dormancy fee** may not exceed \$2.
- A gift card's packaging or sales receipt must include a telephone number to call for information about the expiration date or **dormancy fees**.

NOTE– These protections of the Gift Card Act do not apply to bank-issued cards useable at any retailer or ATM.

PROTECT YOURSELF BY TAKING THESE PRECAUTIONS

- Consumer Affairs recommends that you do not send or transmit gift cards as a form of payment, especially to someone who is unfamiliar and has contacted you via phone or email requesting a payment in this manner. *Gift cards are the #1 payment method requested by scammers, especially scammers impersonating loved ones and the government.*
- Read the fine print when purchasing gift cards or gift certificates.

- Not all gift cards or gift certificates can be used to buy merchandise online, so be sure to ask.
- Being a smart and savvy consumer is always the best protection of all, so it pays to know the law.
- Federal law also offers some protections for those who buy and use gift cards. For more information on those protections, go to www.consumerfinance.gov or www.ftc.gov.



Contact the **Division of Consumer Affairs** at:

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800-242-5846 › New Jersey Division of Consumer Affairs
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