

GIFT CARD TIPS

Trap

Racks of colorful gift cards seemed to greet Matthew everywhere he shopped. He liked the convenience of purchasing gift cards as last minute gifts for those who were hard to shop for, but he was overwhelmed by the choices. Which is better--a general purpose gift card redeemable at most retail establishments or a store gift card redeemable at a specific retailer or restaurant?

Tips

Before purchasing or using a gift card, consider the following:

- **General purpose gift cards, also known as bank cards** are sold through companies like Visa, MasterCard and American Express. They are accepted by most stores and restaurants. General purpose gift cards may have an expiration date and activation or transaction fees
- **Store/restaurant gift cards also known as retail cards** are sold by retailers and restaurants and can only be used with the named merchant. In 2007, Florida enacted a law making it illegal for retail cards to have an expiration date or any fees that would reduce the card's value. It is important to consider the financial health of a store selling the card. If the store closes or files for bankruptcy, the gift card may be worthless. A good practice is to use a gift card as soon as possible
- **Split payments:** Check with the cashier before using a gift card when the purchase price is greater than the face value of the card. Most large chain stores accept split payments with their gift cards. A general purpose gift card sometimes does not allow split payments
- **Avoid buying gift cards from online auction sites** because the cards may be counterfeit or may have been obtained fraudulently

Resources: Consumer Federation of America, <http://www.consumerfed.org>;
Federal Trade Commission, <http://www.ftc.gov>



Palm Beach County
Board of County Commissioners
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Main: 561-712-6600 Fax: 561-712-6610
Website: PBCGOV.COM/CONSUMER