

Ankin Law Office LLC

Protecting the Rights of Injured Workers

162 W Grand Ave Chicago, Illinois 60654, United States

Tel: 312-346-8780 or 800-442-6546

Fax: 312-346-8781

Email: howard@ankinlaw.com
Website: www.ankinlaw.com

Blog: www.thechicago-injury-lawyer.com

Expiration Dates On Vouchers

June 29, 2011 by Admin - LB

The social-buying category is extremely popular with consumers; companies like <u>Groupon</u> and <u>LivingSocial</u> offer huge discounts – usually 50-90% off – from local businesses. The magic of this category is that the companies buy bulk discounts for the <u>consumer</u>, and you, as the consumer, purchase a voucher, better known as a gift card.

Groupon and LivingSocial have sold thousands of these voucher / gift cards in the past few years. However, many consumers have also been burned when they find they haven't used their vouchers / gift card before the expiration date. As these vouchers are usually purchased for personal use, they fall under the legal category of gift cards.

As a result, all of these vouchers / gift cards are subject to the Consumer Fraud and Deceptive Business Practices Act (815 ILCS 505/2SS). Under this Act, a gift card issued after January 1, 2008 cannot have an expiration date less than five years from the date it was purchased. Because of this Act, the majority of expiration dates on vouchers / gift cards are not in accordance with this law if their expiration dates are before the time specified in the Act.

Additionally, businesses are also violating this act when they do not honor the vouchers / gift cards for its original purchase price because gift cards must be given the value of which they were purchased (i.e. if you bought a voucher / gift card for \$20 for \$50 worth of services, the business must honor the voucher for the \$20 that was paid to purchase it).

It also violates the <u>Consumer Fraud</u> and Deceptive Business Act when there is a provision that requires the gift card be used in one visit and does not offer a store credit or cash refund if the whole value of the voucher / gift card is not used within the initial visit. Although companies like Groupon and LivingSocial offer liberal refund policies and even refund the purchase amount if the company refuses to do so, many consumers are unhappy with this solution and have brought suits against both companies for violating the <u>Consumer Fraud and Deceptive Business Practices Act</u>.

Although no suits have been filed against Groupon or LivingSocial in Illinois, there have been class actions suits against both companies in California and Washington. It is likely we will see more suits arising out of violations of the Consumer Fraud and Deceptive Business Practices Act.