

Right to Cancel: Door-to-door, Telephone, and Online Sales

Revised by Bryce Jorgensen¹

aces.nmsu.edu/pubs • Cooperative Extension Service • Guide G-204

The College of Agricultural, Consumer and Environmental Sciences is an engine for economic and community development in New Mexico, improving the lives of New Mexicans through academic, research, and Extension programs.



New Mexico State University
aces.nmsu.edu



© Andrey Popov | Dreamstime.com

Retailers learn tactics to best persuade their consumers to purchase their product. Hundreds of dollars can be wasted when consumers buy over-priced, unplanned, or unnecessary items via phone, door-to-door, or online sales. How can we help ourselves to stay away from purchasing unnecessary items that experts try to sell us?

DOOR-TO-DOOR SALES

Door-to-door sales cover not only the typical selling of goods at a person's doorstep but also anywhere other than the seller's normal place of business, such as consumer-product parties that are held in homes, hotels, or restaurants. Although online retail is the largest place to market, there are still door-to-door salespeople that to this day continue to sell solar panels, pest control, alarm systems, and other products.

Consumer complaints regarding door-to-door sales fall into five basic categories according to the Federal Trade Commission: 1) deception by salespeople in getting inside the house; 2) high-pressure sales tactics; 3) misrepresentation of the product, price, and quality; 4) high prices for low quality; and 5) nuisance of salespeople.

Once they have your attention, high-pressure sales techniques are often used to get you to buy. Some gimmicks that may be used are: The guilt complex—*"You wouldn't want to deprive your children of this opportunity,*

¹Extension Family Resource Management Specialist, Department of Extension Family and Consumer Sciences, New Mexico State University.

would you?” The sympathy approach—“*I’m working my way through school.*” Extra free items—“*And with this purchase you also receive free this coffeepot and a set of steak knives.*” Limited time or quantity—“*If you don’t take advantage of the special low price today, the price will go up.*”

The idea is to get you to buy immediately before you have a chance to think it over or compare prices elsewhere.

TELEPHONE SALES

Telephone solicitations range from local sellers to nationwide telemarketing operations where squads of people use high-tech telephone equipment to place thousands of calls per day. Just about anything can be sold by phone. Be careful when you make purchases on the phone. Before you provide your credit card information, ask the salesperson on the phone how you can trust that they’re going to keep your card information secure and not steal it.

ONLINE SALES

Online sales are different because you don’t have a salesperson that is talking to you, but instead you’re seeing ads. Online retailers want to be your best friend, so they make sure that their ad is welcoming and will draw your attention to their online store. Retailers today work hard to meet all their consumers’ needs by providing instant gratification—overnight delivery service, customized shipping, staying in bed while shopping, providing great deals and discounts with your first online purchase on the store’s website, and more.

It’s important to keep in mind the rise of identity theft and cyber attacks, so be aware of who you’re doing business with online and providing your credit card information to. A way to verify if the website you’re visiting is secure or not is by looking at the website’s address (or URL). A URL that begins with **https** is secure (the “s” stands for secure). The way this stays secured is with the Security Socket Layer, which creates a secure connection with the server and the person using the internet and ensures that all the client’s information remains private.

With online shopping you’re required to open an account with the online store, and they will ask for your contact information, including your email address. When you give them your email, they’re free to send you daily email reminders about them as well as emails about deals and new products they’re selling. If you don’t like hearing from them all the time, you can often opt out of receiving the emails via the settings in your account with the store, or by having your email program put the emails in the spam folder.

WHAT TO DO

Learn to say “no.” Don’t be pressured into making a quick decision. Make it a firm rule to think the situation out, and don’t buy immediately. Tell the salesperson that is your rule. With a telephone sale, ask the caller to send the information in writing, and don’t promise to buy until you receive the written facts.

Today, your internet browsing is tracked and sold to advertisers, who will in turn customize ads that appear on other websites, such as your social media, news pages, and blogging pages, based on your previous web browsing. There are several programs and web browser add-ons that prevent advertisers from tracking your history and showing you unwanted ads (e.g., AdBlock [getadblock.com]).

As the consumer, you have the power here because instead of the retailer telling you how and what to shop for, you (the consumer) are telling them how to retail, and they will meet your needs. Remember that it is your money and you are under no obligation to spend it unless you want or need the product. Be courteous but firm. The salesperson has received special training to sell you the product. It is up to you to train yourself to resist.

YOUR RIGHT TO CANCEL

A Federal Trade Commission ruling allows you a three-day, or specifically 72-hour, cooling-off period to cancel a door-to-door sale if the purchase is \$25 or more. Sunday and New Mexico official holidays are not counted as part of this time period.

In 1987, the New Mexico legislature went beyond this ruling by including telephone sales. A new section was added to the Unfair Practices Act that spells out the buyer’s right to cancel a sale over \$25 made either door-to-door or by a seller-initiated telephone sale. If the sale was made by telephone, the cancellation period does not begin until the buyer has been informed of his or her right to cancel and has been provided with copies of the notice of cancellation.

If any payment has been made, the seller must refund the money within 10 business days of receiving the cancellation notice. After cancelling a sale, you must have the merchandise available at your home for the salesperson to pick up in the same condition you received it. If you agree to ship the item back, the seller must pay the shipping costs. If the merchandise is not picked up within 20 days, the consumer may keep the goods without obligation. If you do not make the goods available or fail to ship them back as agreed, you can be held to the terms of the contract.

Notifying the Seller

When cancelling a sale, send the notice by certified mail if possible, with a return receipt requested so you can prove you cancelled the sale. New Mexico law allows you to send either the notice of cancellation provided by the seller or write your own notice of cancellation. It can be stated simply, such as, "I hereby cancel the transaction of..." along with the date of cancellation and your signature. Be sure to include the seller's name and address.

Sales Not Included

Sales that are not covered by this rule include

- total sales under \$25 that are made at home;
- sales of insurance;
- sales of real property (land);
- sales of securities or commodities by a broker-dealer who is registered with the Securities and Exchange Commission;
- sales initiated by the buyer because of an emergency, and to which the buyer waives the right to cancel; and
- sales made during repair or maintenance in the home when items other than replacement parts are bought.

NATIONAL DO-NOT-CALL REGISTRY

You may minimize the number of telemarketing calls you receive by placing your home phone number on the National Do-Not-Call Registry at www.donotcall.gov or by calling 1-888-382-1222 (TTY 1-866-290-4236) from the telephone number you wish to delete. Your registration in the National Do-Not-Call Registry will not expire. However, it is important to note that even with your phone number in the registry, you may receive unwanted calls from exempted organizations.

ENFORCEMENT

The New Mexico Attorney General's office is responsible for enforcing the door-to-door/telephone sales act.

Consumer & Family Advocacy Services Division

Attorney General's Office
P.O. Drawer 1508
Santa Fe, NM 87504-1508
505-490-4060
1-844-255-9210
(Se habla español)
www.nmag.gov

Federal Trade Commission

1-877-FTC-HELP (382-4357)
TTY: 1-866-653-4261

You can also file a complaint to the Federal Communications Commission online at <https://esupport.fcc.gov/complaints.htm>.

***Original author:** Jackie Pinson, Extension Family Finance Specialist. Subsequently revised by Jackie Martin, Extension Family Finance Specialist; and M. Fahzy Abdul-Rahman, Extension Family Resource Management Specialist.*



***Bryce Jorgensen** is the Extension Family Resource Management Specialist at NMSU. He earned his Ph.D. at Virginia Tech. As a consultant, trainer, author, and speaker, he focuses on achieving individual, relational, and financial wellness for New Mexicans. An expert in the psychology of change, mindset, and behavioral economics, he provides customized programs leading to life and financial success.*

Brand names appearing in publications are for product identification purposes only. No endorsement is intended, nor is criticism implied of similar products not mentioned. Persons using such products assume responsibility for their use in accordance with current label directions of the manufacturer.

Contents of publications may be freely reproduced, with an appropriate citation, for educational purposes. All other rights reserved. For permission to use publications for other purposes, contact pubs@nmsu.edu or the authors listed on the publication. New Mexico State University is an equal opportunity/affirmative action employer and educator. NMSU and the U.S. Department of Agriculture cooperating.