



BUY-BACK PROGRAMS: PROFITABLE OR COMPROMISING?

by Texas Attorney General Greg Abbott

WITH TECHNOLOGY CONSTANTLY IMPROVING, newer, faster products are always on the horizon. As a result, some retailers recently started offering buy-back programs, which allow customers to replace their old electronics with newer devices. To protect their pocketbooks, Texas customers should pay close attention to a buy-back program's details and requirements.

Whether a particular program is a good deal may depend upon each individual customer's particular circumstances. The devil is in the details. Most buy-back programs basically act as insurance against a gadget's loss of value, but a product's actual or true value can be difficult to define. Like any product intended to create revenue for the seller, buy-back programs are a profit source for retailers – so the terms typically favor the retailer.

Buy-back programs ordinarily add a small fee to the product's original

purchase price, but not all programs work the same way. As long as the original product remains in good condition, most buy-back programs will allow customers to trade in their old device for a newer model at a percentage of its current value. These programs typically involve laptops, tablet PCs and televisions.

In many cases, buy-back programs require that customers return their old devices in exchange for a gift card. As a result, a customer is obligated to buy their next purchase from the same retailer they used the first time.

Buy-back programs also usually have stipulations that require customers to include all power cords, original receipts and manuals when they exchange their old products for new ones. Anyone who participates in a buy-back program should maintain all relevant documentation and equipment to avoid any potential problems. And before locking into a buy-back

program, mobile phone customers should confirm that their mobile service providers allow users to upgrade their mobile phones. Otherwise, customers could end up paying unnecessary fees and penalties.

Most importantly, customers should always erase all personal information from their devices before the device is returned. Laptops and various other electronics can hold a significant amount of personal information, so Texans should clear all devices' memory and remove personal information to ensure they protect their identities. Customers who use buy-back programs to purchase mobile phones should keep their old phone's SIM card.

Texas customers seeking more information about a retailer's buy-back program should visit the Better Business Bureau online at www.bbb.org.

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POINTS TO REMEMBER



BUY-BACK PROGRAMS

- Always review the buy-back program's terms and conditions.
- Keep original packaging and documentation.
- Before exchanging old technology devices, remove all personal information.
- Ask whether the buy-back program covers mobile phone contracts.
- Visit the Better Business Bureau online at www.bbb.org

Texans who believe they encountered misleading or deceptive advertising about a buy-back program should file a complaint with the Texas Attorney General's Office by calling (800) 252-8011 or visiting the agency online at www.texasattorneygeneral.gov.



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