



State of Connecticut
Attorney General William Tong

Quick Tips

All about Gift Cards

Gift cards and gift certificates are convenient and when it comes to holidays, birthdays, or special occasions, they often make gift-giving easy. But gift cards are not the same as credit cards and, while Connecticut has its own gift-card laws, they may not apply to all gift cards. Before purchasing a gift card or gift certificate, understand all of the conditions surrounding its use and, once purchased, plan to use a gift card as soon as possible.

Learn the Facts

- **What is Connecticut's gift card law?** Connecticut law prohibits an expiration date or inactivity fee on gift cards or gift certificates.
- **What is the federal gift card law?** Federal law applies to gift cards purchased on or after August 22, 2010, and states that they may not have an expiration date within the first five years from issue and may not have fees during the first 12 months. Any money added to the card may not expire within five years of deposit. Any fees must be disclosed and there are certain limits on fees.
- **How do I know if Connecticut law applies?** Gift cards that are sold in Connecticut and that are **not** issued or backed by a federal financial institution are covered under Connecticut law. Gift cards that are purchased online or over the phone and then shipped to Connecticut that are **not** issued or backed by a federal financial institution are also covered under Connecticut law. Gift cards that are issued or backed by a bank or federal financial institution fall under the federal law.
- **What about other types of cards?** Neither federal nor state gift card laws cover prepaid and/or reloadable cards, like prepaid Visa or American Express cards. Rewards cards and prepaid calling cards are also not covered by gift card laws.
- **If I buy a gift card, and the business closes, am I entitled to a refund or other compensation for the value of the gift card?** Not necessarily, which is why it is important to use gift cards as soon as possible upon receipt or purchase. By doing this you reduce the chances of losing some or all of a gift card's value should the issuer go out of business or go bankrupt. There is no state or federal consumer guaranty fund to assist consumers if the gift card or gift certificate issuer does go out of business and, depending on individual circumstances, there may be little or no recourse for a consumer with an unspent gift card for such retailers.

Know what you're buying...and who you're buying from

- **Avoid buying gift cards from online auction sites:** They may not be legitimate gift cards.
- **Read the fine print:** If you do not like the terms and conditions, consider purchasing elsewhere.
- **Treat gift cards like cash:** If your card is lost or stolen, report it to the issuer immediately. You may be out the entire amount on the card as some issuers do not replace the cards, while others will for a fee. If an issuer charges for a replacement card, you will most likely need to provide proof of purchase and the ID number on the card so keep receipts and write down the card ID number.

Additional Resources

- The state Department of Consumer Protection also [provides information about gift cards on its Web site](#).
- For additional information, or if you have any questions, call the Office of the Attorney General Consumer Assistance Unit at 860-808-5420.