

Knock, Knock. *Who's There?*

Want to Buy a Home Security System?
Beware of home alarm sales scams.

Everyone wants to feel safe in their home, so when home security salespeople come knocking, their pitch can be convincing. The Federal Trade Commission (FTC), the nation's consumer protection agency, and your state Attorney General urge you to use caution when you consider what security system sales agents have to offer.

During the spring and summer months, home security or alarm companies hire traveling sales agents to go door-to-door, making unsolicited "cold calls" on homeowners. In some cases, the salespeople use high-pressure or deceptive sales tactics to get potential customers to buy expensive, and sometimes substandard, systems or equipment they don't need.

Before you let anyone inside your home, ask for identification. Some state laws require door-to-door salespeople to tell you their name, the name of the business they represent, and the goods or services they wish to sell before asking you any questions or making any statements. Other states require salespeople to show you their "pocket card" license and a photo ID. Take a few minutes to look over their documentation.

Signs of a Security System Scam

Unscrupulous door-to-door sales agents use a variety of approaches and pitches to get you to buy an alarm system and monitoring services. Here's what to look out for:

- They may make a time-limited offer, and claim that you need to act now. For example, they may try to get you to sign a contract by telling you that the equipment is “free.” More than likely, strings are attached. For example, to get your “free” alarm, you may have to sign a long-term and expensive system monitoring contract.
- They may pressure their way into your home and then refuse to leave. It is not impolite or rude to tell a salesperson you're not interested. It's much easier — and safer — to say “no” on the doorstep than to try to get the salesperson to leave once they're inside. If a salesperson continues to pressure you after you've asked them to leave, call the police.
- They may use scare tactics. For example, they may talk about a rash of supposed burglaries in your neighborhood.

Some door-to-door sales agents target homeowners who have signs on their properties for security systems with other companies. In these cases:

- The sales agents may state or imply that they are from your existing security company and that they're there to “upgrade” or “replace” your current security system. Once inside your home,

however, they may install a new security system and have you sign papers that include a costly contract for the monitoring service.

- They may claim your security company has gone out of business, that they've taken over the accounts, and that you have to buy new equipment and sign new contracts. If this happens, call your current monitoring company to confirm. Normally, you would be notified of a change like this by mail or telephone, not by an unannounced visit by a representative from another company.

Before you do business with anyone selling a home security or alarm system, whether they come to your door or you seek them out, the FTC and your state Attorney General urge you to ask potential contractors for the following information. Use it to check out the alarm company with the appropriate authorities: your state Attorney General (www.naag.org), local consumer protection agency (www.consumeraction.gov), Better Business Bureau (www.bbb.org), and state licensing officials (www.nascla.org). If the salesperson is reluctant to give you this information, consider it a red flag and find another company to consider.

- Contractor's name
- Street address (no P.O. Box)
- Telephone number
- Contractor's license number
- State that issued the license
- Name under which the license is filed

Buying a Home Security System

Home security systems are designed to protect you, your home, and your valuables. They vary in price and sophistication. Some systems not only can warn you of intruders, but also can notify authorities of a medical emergency, monitor smoke and carbon monoxide detectors and water levels or pressures, and include video surveillance. Some systems also are linked into your home's wiring, heating or lighting systems, and use your mobile phone or computer to control them.

Most home security alarm installers can provide all-inclusive services that include equipment plus the installation and monitoring service.

If you're thinking about buying a home security system, the FTC and your state Attorney General suggest that you:

Get references from your friends, family, neighbors, co-workers and from the company's current clients, and find out whether the equipment was installed within the given time frame. Were any equipment problems dealt with promptly? Was the system explained to everyone living in the home? If there was an intrusion, were the police contacted immediately?

Check out the companies by entering their names in a search engine online. Read about other people's experiences with the companies. Try to communicate offline if possible to clarify any details. In addition, contact your state Attorney General (www.naag.org), local consumer protection agency (www.consumeraction.gov), and the Better Business Bureau (www.bbb.org) to see if any complaints are on file.

Verify that the contractor's licenses are current and in good standing. Check with the National Association of State Contractors Licensing Agencies (www.nascla.org) for the appropriate agency in your state.

Get written estimates from several companies, and ask plenty of questions. A reputable company will not try to sell you anything before completing a professional assessment of your needs and the layout of your home. Find out:

- Who will perform the installation and monitor the system? Some companies subcontract this work to a third party.
- What is the contract period for monitoring? One year? More? Are there penalties for early termination? What happens if you move before the contract term is up?
- How much does the monitoring cost? How often will you be billed?
- Does the company call you before notifying the police?
- How soon after the alarm sounds will you be notified?
- What happens if the alarm company can't reach you when the alarm is sounding? Is the alarm reset? Are the police called? Are alternate numbers called?
- What happens if the power goes out? Is there a back-up battery system?
- What does the warranty cover, and for how long? Is it from the manufacturer or their installer?

Facts for Consumers

- Who is responsible for repairs or upgrades to the system?
- Does the company offer interactive services like smoke and fire detection, remote control, video surveillance, email notifications and special apps for smart phones?

Read the fine print. Once you've chosen a company, make sure the written contract includes all oral promises made by the salesperson. Your contract package should include:

- Installation price
- Monthly or quarterly monitoring fee
- Contract period
- Applicable discounts
- A written warranty
- The owner's manual
- An explanation of your right to cancel the deal
- Cancellation forms

The contract also must be dated, and show the name and address of the seller.

Contact your police and fire departments.

Ask whether you need to register your system, and if there are fines for responding to false alarms.

Understand that you can cancel the deal. The FTC's Cooling-Off Rule gives you three business days to cancel the deal if you sign the contract in your home or at a location that is

not the seller's permanent place of business. You do not have to give a reason for canceling your purchase. You have a right to change your mind, even if the equipment has already been installed.

The salesperson must give you two copies of a cancellation form (one to keep and one to send back) and a copy of your contract. The contract must be dated, show the name and address of the seller, and explain your right to cancel. You may have additional consumer protections under state law. Check with your state Attorney General (www.naag.org), local consumer protection agency (www.consumeraction.gov), or the Better Business Bureau (www.bbb.org)

For More Information

- National Burglar & Fire Alarm Association
www.alarm.org
- Security Industry Alarm Coalition
www.siacinc.org

The FTC works to prevent fraudulent, deceptive and unfair business practices in the marketplace and to provide information to help consumers spot, stop and avoid them. To file a complaint or get free information on consumer issues, visit ftc.gov or call toll-free, 1-877-FTC-HELP (1-877-382-4357); TTY: 1-866-653-4261. Watch a video, *How to File a Complaint*, at ftc.gov/video to learn more. The FTC enters consumer complaints into the Consumer Sentinel Network, a secure online database and investigative tool used by hundreds of civil and criminal law enforcement agencies in the U.S. and abroad.

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