

Layaway Plans

When a consumer is planning to make a purchase on a budget, a layaway option might be considered if the item is not needed immediately. Layaway plans enable you to purchase an item over time.

The NYS Consumer Protection Board provides these tips to inform and empower consumers.



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**NYS CONSUMER
PROTECTION BOARD**

Advocating for and
Empowering NY Consumers



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WHAT IS A LAYAWAY PLAN?

Under New York State law, a layaway plan is a written contract that involves a purchase for specific merchandise costing over fifty dollars (\$50) for which a consumer agrees to pay in four (4) or more installments and the merchant agrees to make delivery of the merchandise at a specific date to be determined by the seller and/or consumer (New York State General Business Law § 396-t).



HOW LAYAWAYS WORK:

Layaway plans allow consumers to pay for an item over time. Plans will vary by store. Make sure you read **ALL** of the terms in the contract, and have your questions answered before moving forward with a layaway plan. Be sure to retain a copy of the contract and maintain a record of your payments.

WHAT MUST THE CONTRACT CONTAIN?



- \$ A description of the merchandise being purchased.
- \$ The total cost of the item (including additional fees, if any).
- \$ The amount of any charge for the use of a layaway plan such as a service or carrying charge or cancellation fee.
Note: Failure by the merchant to make this disclosure precludes the merchant from imposing such fees.
- \$ The duration of the layaway agreement.
- \$ The payment schedule and the consequence of missing payments.
- \$ The merchant's refund policy with respect to payments made by a consumer.
- \$ The location of the merchandise, if other than the place of purchase, and where the merchandise will be stored.
- \$ A prominent disclosure detailing when the item will be removed from inventory or ordered by the merchant if the item is not immediately taken from inventory upon the first layaway payment.

QUESTIONS YOU SHOULD HAVE ANSWERED BEFORE SIGNING A LAYAWAY CONTRACT:

- \$ Could you find a better price elsewhere?
- \$ If the item goes on sale before you finish paying for it, can you get a price adjustment?
- \$ Will you lose your deposit and money paid toward the item if a payment is missed?
- \$ If you decide you no longer want the item, will all or a portion of your money be refunded or will you receive a store credit instead?
- \$ Are there additional charges, such as for shipping, storage, etc.?
- \$ If the item is not in stock and needs to be ordered, when will the item be ordered?

