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Guide to Gift Cards and Certificates

A gift card or certificate is a way to give value – not a specific item – to the gift recipient, who can redeem it as he or she chooses.

Massachusetts Gift Certificate Law

Under Massachusetts law, a gift certificate or a merchant credit slip (given for returned merchandise) must be redeemable for a minimum of seven years from its date of issuance ([M.G.L. c. 93, s. 14S](#)). The seller must clearly indicate the date of issuance and expiration date on either the face of the certificate, or, if it is an electronic card with a banked dollar value, on the sales receipt, or by means of an Internet site or a toll-free number ([M.G.L. c. 200A, s. 5D](#)). If the expiration date is not made available by these means, the gift certificate/card is to be redeemable in perpetuity.

Once a gift certificate has been redeemed for 90 percent of its value or more, the consumer may elect to receive the balance of the remaining value in cash. A purchaser or holder of a gift certificate which, by its terms, authorizes the purchaser or holder to add value, which has been redeemed in part, such that the value remaining is \$5.00 or less, must make an election to receive the balance in cash or continue using the gift certificate. A gift certificate with a zero balance is void.

Note: The term “gift certificate” does not apply to pre-paid phone cards ([M.G.L. c. 64H, s. 1](#)).

Gift Cards

Inspect gift cards before buying. Verify that none of the protective stickers have been removed. Also make certain that the codes on the back of the card have not been scratched off to reveal a PIN number. Report tampered cards to the store selling the cards.

Gift cards may look like credit or debit cards, but they are not. Even if a gift card carries a Visa, MasterCard, or American Express logo, the card is not a credit or debit card and does not automatically come with the same protections if it is lost or stolen.

Using the Card or Certificate

Some gift cards or certificates can be used only at the retailer’s store locations; others can be used at any retailer and online. Some large corporations own chains of different stores, and often their gift cards/certificates can be used at all chains. Read the fine print and make sure you understand the terms and conditions before you buy.

Expiration Dates and Fees

Some gift cards have expiration dates; others let the user “reload” or add money to the balance on the card. Information about expiration dates and fees may appear on the card/certificate itself, on the accompanying sleeve or envelope, or on the issuer’s website. If you don’t see it, ask. If the information is separate from the gift, give it to the recipient with the gift to help protect the value of the card/certificate.

Under Massachusetts law, a gift certificate or a merchant credit slip (given for returned merchandise) must be redeemable for a minimum of seven years from its date of issuance. State law, however, does NOT apply to gift cards issued by a national bank, even though these cards may be sold by an entity other than the bank. For instance, certain mall gift cards may not follow the seven year rule and may also charge fees, because the cards are issued in conjunction with a national bank. National bank-issued cards may be redeemable for a shorter period of time—five years. These cards may also have fees attached that will diminish the value of the card over time—some have monthly “maintenance” or “dormancy” fees that may kick in when the card is not used within a few months; they may also have fees assessed for checking on the value remaining on the card; lost or stolen card fees; or replacement fees if the card expires by its own terms but you still have value remaining on the card you want to use. These fees must be disclosed to you, and can only be assessed if three conditions are met:

- 1) The card or certificate has to be inactive for at least one year;
- 2) No more than one such fee is charged per month; and
- 3) The consumer is given clear and conspicuous disclosure about the fees.

If your card or certificate expires before you’ve had a chance to use it or exhaust its value, contact the issuer. Federal law now prohibits the sale or issuance of a gift card or certificate that has an expiration date of less than five years after the card or certificate is issued or funds were last loaded. If the card has expired and the funds are still valid, you may request a replacement card or certificate.

If you have a reloadable gift card that has an expiration date but you have loaded new funds on it before the card expires, you may request a new card with no fee imposed.

Some issuers have stopped charging inactivity fees or imposing expiration dates, so it pays to check with the issuer to make sure you’ve got the most up-to-date information.

For More Information

If you have a problem with a gift card or certificate, first contact the store or financial institution from which it was issued. If the problem can’t be resolved, you may wish to file a complaint, either to see if the matter can be mediated, or to express your objection to the regulating agency.

For more detailed information about retail rights, please visit the [Attorney General’s Office website](#).