



Gift Cards—There's No Such Thing as a Free Lunch

From the Office of Minnesota Attorney General Lori Swanson

In 1850, a Milwaukee saloon advertised in the newspaper a free lunch at a bar. A free lunch was a marketing technique used by mid-19th century saloon owners to lure patrons to the bar. The patrons, however, could only get a free lunch if the patron bought a drink. This practice later gave rise to the phrase: “There is no such thing as a free lunch.”

The truth is, you can rarely get something for free. If it sounds too good to be true, it probably is. This applies to the new wave of modern freebies: gift cards.

Phone calls, text messages, and mail solicitations now offer “free” gift cards and gas cards, often in amounts up to \$200. Consumers who respond to the offers are asked to provide personal information and told that a minimal handling fee ranging from \$1 to \$5 will be charged on their credit cards. After providing the information, people discover unwanted charges on their accounts for subscriptions, warranties, and all sorts of other products they do not want. The one thing the consumers do not get are the gift cards that were promised.

The gift card scam is usually initiated through random phone calls, text messages, or mailings. In some cases, the scam artist claims to promote the gift card on behalf of a major company. In other cases, the scam artist promises a gift card for completing a survey. The goal of the scam artist is simple: get personal financial information and sell it to thieves, simply steal the identity of the victim, or charge people money for things they do not need.

This scam only works if the consumer decides to participate. If you get the call, remember TINSTAAFL (there is no such thing as a free lunch). Hang up the phone and do not respond to suspicious mailings or messages. Keep in mind that con artists are very persuasive, using all types of excuses, explanations, and offers to get your money.

If you receive a solicitation for a free gift card or gas card, take the following precautions:

- **Never give out financial information.** Most reputable companies do not initiate free offers or discounts where they ask up front for sensitive personal data like credit card information.
- **Safeguard social security numbers, dates of birth, and other private information.** There is no reason why a company needs your private information to provide a gift card.
- **Watch for indications that the advertisement is bogus.** Many scams contain misspellings and bad grammar. Also, a marketer using a website, email, or other contact information that is not affiliated with the company's domain name or address can be an indication of potential fraud.
- **Be wary of solicitations from sources you do not know or that you did not initiate.** Never give out personal information to an unverified source.

Remember that companies usually do not give away something for nothing.

If you have questions or need assistance, please contact the Minnesota Attorney General's Office as follows:

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