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## Law Helps Make Lemonade

### Laws Protect Consumers Whose New Cars Are Lemons



By [Arnold Diaz](#)  
abcNEWS.com

The new car was the apple of Susan Gomez's eye, a shiny red Jeep Cherokee that she wheeled all over Santa Monica, Calif. But less than a year later, the rear axle split — twice.

Owners of new cars have several legal outlets in case their purchase breaks down. (ABCNEWS.com/Brian Garrigan)

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Gomez had played what she calls the Russian roulette of car buying — and ended up with a lemon. But recent car buyers take heart. The manufacturer's warranty entitles you to a refund or a replacement car if yours goes kaput. And every state has a "lemon law" statute that forces reluctant manufacturers to make good on their warranties.

State lemon laws resemble the federal Magnuson-Moss Warranty Act, enacted in 1975, which makes breach of warranty a violation of federal law. Gomez says California's lemon law helped her get a refund from Chrysler.

Here's what you need to know about using your state's lemon law to get your money back:

First, you must notify the manufacturer. According to the National Consumer Law Center's book *Return to Sender*, lemon laws allow the manufacturer a "reasonable time" to repair the problem, at no cost to the customer. Usually "reasonable" is interpreted as three or four repair attempts or a maximum of 30 days in the shop.

But Cartalk.com emphasizes that if your car's defect is safety-related, i.e. you're having trouble braking or steering, 12 states grant manufacturers only one repair attempt before a refund is due.

Carlemon.com warns you *must* keep a record of every repair visit. Make sure you put your complaints in writing and keep a copy for yourself. Obtaining an invoice when you pick up the car will help you prove that a repair was attempted.

If the car is still not functioning properly, and the manufacturer is not living up to its warranty, you may need to go into arbitration or to court. According to *Return to Sender*, many state lemon laws require consumers to submit a claim to an informal dispute mechanism (IDM) before seeking a court ruling. Half of state lemon laws enable customers to recoup attorneys' fees.

While lemon laws typically apply to new cars, *Return to Sender* notes that six states provide the same protections to purchasers of used cars. If you live in Hawaii, Massachusetts, Minnesota, New Jersey, New York or Rhode Island, you can use your state's lemon law to seek a refund on your used car.

Lemon laws are more vague when it comes to leased automobiles. Only California and New York explicitly give leasees the same protections as purchasers.

- WEB LINKS
- [Center for Auto Safety](#)
  - [Carlemon.com](#)
  - [Car Talk: Lemon Laws](#)
  - [National Consumer Law Center](#)
  - [Autopedia Lemon Law Information](#)
  - [Internet Fraud Complaint Center](#)
  - [GO Network: Consumer Interests](#)

### 'Lemon Law' Resources

**AutoSafety.org**  
(<http://www.autosafety.org>) The Center for Auto Safety provides nationwide lemon lawyer referrals

**Autopedia.com**  
([http://www.autopedia.com/html/HotLinks\\_Lemon.html](http://www.autopedia.com/html/HotLinks_Lemon.html)) Autopedia provides a state by state analysis of current lemon laws.

**National Consumer Law Center**  
(<http://www.consumerlaw.org/nslc.html>) The National Consumer Law Center has a new book, *Return to Sender*, that explains in detail how to get a refund for your lemon car.

CarTalk

**Car Talk**

(<http://cartalk.cars.com/Got-A-Car/Lemon/index.html>)

National Public Radio's Car Talk provides a simple overview of related laws as well as a glossary of terms.

**Carlemon.com**

(<http://www.carlemon.com/>) Carlemon.com provides a directory of state lemon laws.

*Arnold Diaz joined ABCNEWS' 20/20 in 1995 after establishing his reputation as one of the leading consumer and investigative reporters in the country during his 22 years at WCBS-TV in New York City.*

**Internet Fraud**

Scams that use the Internet aren't really much different than the rip-offs that have traditionally hit Americans by mail or over the phone. What is harder for victims, though, is figuring out who to report these crimes to. Now the federal government hopes that the newly formed Web site that allows consumers to file complaints online will start to change that.

The site is the one-stop Internet Fraud Complaint Center, where consumers and businesses can send e-mail if they are victims of fraud on the Internet or suspect wrongdoing. It's a joint project run by the FBI, the Justice Department and the National White Collar Crime Center. The Web site was set up in response to the growing number of online crimes.

"The crucial difference in fraud committed over the Internet is that the perpetrator can 'virtually' vanish, leaving consumers wondering who or where to turn to for help," says Glen B. Gainer III of the National White Collar Crime Center. The Complaint Center Web site will allow consumers who have been ripped off to file their case, then be connected with the law enforcement agency that may be able to help them.

It also will help authorities get a jump on cracking down on these schemes by identifying and tracking them faster and easier than in the past.



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