

Sample Credit Card Billing Error Dispute Letter

June 15, 2009

Jane Consumer
101 Main Street
Anytown, USA 12345

Big Credit Card Co.
P.O. Box 666
Somewhere, DE 11111

[The actual address you need to use appears on the back of the credit card bill you are disputing in a section called "Billing Rights Summary."]

Dear Big Credit Card Co.:

My name is Jane Consumer. My account number is 123456789. I am disputing a charge on the bill you mailed on June 5, 2009. That bill includes a charge in the amount of \$2,000.00 to Fix-It Garage. This amount is in error.

In April of this year, I took my car to Fix-It Garage to be repaired. They estimated that the work would cost \$400. I told them not to do any work in excess of \$400. When they called to say the repairs were completed, they told me that the bill was \$2,000. I did not agree to pay this amount and they have charged my account without my authorization.

I have contacted Fix-It Garage by telephone, in person, and by the enclosed letter in order to try to resolve the dispute. They have not agreed to withdraw the charge.

Please investigate this dispute and provide me with a written statement of the outcome. Thank you for your time and attention to this matter.

Very truly yours,

Jane Consumer

Stopping Payment on a Credit Card. The third important federal credit card dispute protection is the right to stop payment. This strategy can be used if the consumer: has a legitimate complaint about the quality of goods or services bought with the card; first makes a good faith effort to resolve the problem with the merchant directly; and meets the following two prerequisites:

- The goods or services must have cost more than \$50; and
- Those goods or services must have been purchased in the consumer's home state or within 100 miles of the consumer's mailing address.

However, these last two limits do not apply if the credit card was issued by the seller (such as a department store card) or if the card issuer mailed an advertisement for the goods or services purchased.

After the consumer notifies the credit card company that payment is being withheld, the company cannot report the disputed amount as delinquent to a credit bureau until the dispute is settled or a court judgment is issued. The lender cannot treat the dispute as "settled" or take collection action against the consumer unless it has completed a reasonable investigation of the claim.