

man. If you make a small weekly payment and add items from time to time, ask the salesman what annual percentage rate he charges. Even if he says "None," remember that the price tags have to be high enough to cover the cost of the credit. You may save by using department store or bank credit. Have you tried to get it?

It's important to take advantage of your credit worthiness. What you pay for credit, to a considerable degree, depends on the image the lender has of you as a credit risk. Occasionally his image is inaccurate because a credit reporting agency has no report on you or has an inaccurate one.

What is your image of yourself? Have you met past payments? Are you honest? Reliable? Willing to pay? Are you able to pay? What is your financial future? Is your paycheck completely uncommitted?

If you have been refused credit, you have the right under the Fair Credit Reporting Act of 1971 to learn from the credit reporting agency what is in your file, at little or no cost.

If you've never used credit before, you might arrange a small loan at a bank and pay it off to establish a credit rating.

In using credit and in shopping for money the skill lies in understanding your needs and wants, and balancing them against the cost and the risks involved in having things now and paying later.

#### FOR FURTHER READING:

Burgess, Constance. *Maximum Credit Charges Allowed in California, Credit Do's and Don'ts*, Cooperative Extension, University of California, Berkeley, Cal., 1973.

Federal Trade Commission. *Teaching How to Use Truth in Lending and A Money Saving Offer*, 6th St. and Pennsylvania Ave. N.W., Washington, D.C. 20580.

Household Finance Corporation. *It's Your Credit—Manage it Wisely*, Money Management Institute, Prudential Plaza, Chicago, Ill. 60601, 1970.

National Foundation for Consumer Credit. *Using Our Credit Intelligently*, 1819 H St. N.W., Washington, D.C. 20006, 1970.

## *Having Appliances Repaired for a Minimum Cost*

AMERICAN FAMILIES own an average of five major appliances and many small appliances. We depend on our appliances, and when one fails to perform its task, our routine schedules are upset and we are unhappy. We want the appliance repaired quickly and at minimum cost.

Simple repairs can be done at home by the handyman or woman, but many of our appliances now are so complex that special skills and tools are needed to repair them.

Appliance failures fall into two categories: the appliance does not function, or it functions but the results are not satisfactory.

If an oven does not heat, a washer does not agitate, or a refrigerator motor does not run, it is obvious that the appliance is not working, and it is relatively easy to describe the observed condition to the service technician.

On the other hand, if the complaint is that the cake is not baked properly, that the clothes are not getting clean, or that fresh vegetables sometimes freeze in a refrigerator, it may be much more difficult to pinpoint the problem.

Improper performance of an appliance can be detected by comparison with its past performance, the performance of other similar appliances, or expectations based on statements in the manufacturer's literature including the use and care manual.

Before calling for service, consult the instruction manual to make sure you are using the appliance properly and check the instructions for additional suggestions to avoid an unnecessary service call. Finally, if you cannot correct the situation yourself, contact a service agency.

If the appliance is still under warranty, call the dealer or the servicing agency recommended by the dealer. If the warranty has expired, you may have more choices for repair service.

When requesting service, report the type of appliance, brand name and model number. Sometimes the serial number also is needed. Describe the problem as accurately as possible. The call taker may ask for additional information to identify the problem more precisely.

After describing the problem, seek information on the cost of the repair, whether the bill must be paid at the time of service or can be charged, and the time that the service can be performed.

Some service agencies base their service charge on actual time spent. The time may include that required to travel to the consumer's home, make the diagnosis, repair the appliance, and instruct the consumer in proper use of the appliance.

Other companies use job charges based on the average time required to accomplish a particular repair. When job charges are used, the consumer seems to be paying a high hourly rate for a fast worker but a low rate for a slow one.

A definite appointment should be made, if necessary, to be sure that some responsible person is at home when the service technician arrives. If it seems likely that replacement parts will be required, ask whether they are on hand. If they must be ordered, determine when they can be expected.

When a major appliance fails, the question of whether to repair or replace the appliance is often raised. Usually the decision depends, at least in part, on cost of the needed repair, present value of the appliance, and cost to replace the appliance. An older appliance, needing major repair, is likely to be replaced rather than repaired.

Many small appliances, such as irons and toasters, are replaced rather than repaired because of the low cost to replace compared to the repair cost.

To make a rational decision about

repair or replacement, you must know the cost of the service before the service is attempted. Most reliable service agencies, after diagnosing the problem, can give accurate estimates of service costs.

Non-monetary considerations are also important. For example, if you want features not on the present appliance (a self-cleaning oven, a larger freezer section on a refrigerator-freezer), you may choose to replace rather than repair. Other considerations, such as plans for remodeling or a desire to keep an appliance you are familiar with, may also influence your decision.

If an accessory such as the clock on a range or the rotisserie in the oven stops working, you may decide that the feature is not worth the cost of repair. You may neither repair nor replace but continue to use the appliance without those features.

Appliances vary from simple devices that rarely need repair to highly complex ones that seem to need more frequent service. Because complex appliances depend on many parts to function, it is not surprising that they sometimes require service.

Heat producing appliances that are not temperature controlled and have no function other than heating are among the least complicated and require the least service. On temperature controlled devices such as ovens, thermostats sometimes need to be recalibrated and adjusted; less frequently thermostats may need to be replaced. Heating elements themselves rarely become defective or need to be replaced.

Oven users sometimes report that the oven does not heat. In many cases the problem is that the controls are set for automatic turn-on at a set time rather than manual turn-on. Pilot flames that have gone out cause service problems for gas ranges. Controls on self-cleaning

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ovens have also caused some service problems.

An important part of a refrigerator, freezer or air conditioner is the motor/compressor. When it stops running, the appliance no longer cools. If the refrigerant leaks out, the motor will run but insufficient or no cooling occurs.

Other parts that are most likely to require servicing include: The temperature regulator and the fan that cools the condenser on a refrigerator, freezer or air conditioner; timers and switches used in self-defrosting refrigerators; and fans used to circulate air within a frost-free refrigerator or freezer. In addition, gaskets on refrigerators and freezers deteriorate over time and must be replaced.

Automatic washers probably have a higher frequency of repair than any other major appliance. This is because of the complexity of the appliance and the high humidity to which the functioning parts are exposed.

Parts most likely to require service include the timer that controls cycling of the washer, the pump for circulating water and emptying the washer, the transmission, and the motor.

Practically all new appliances are covered by a warranty or guarantee when they are sold. In common use the words warranty and guarantee mean the same, but warranty is becoming the preferred word.

The warranty is the manufacturer's promise. It protects you from the risk of defective materials and workmanship, but it is not a promise that appliance parts will not wear out.

Because the warranty is part of the sales agreement, its value is included in the price of the appliance. To be binding, warranties must be in writing; oral commitments have no legal standing. Be sure to read and understand the warranty before buying the appliance.

Warranties differ in their coverage with regard to the length of time that the warranty is in force, and the parts and/or labor covered. A common length of time for a warranty is one year from time of purchase, but the warranty may be for a longer or a shorter time.



*Cleaning and adjusting a blender.*

Some warranties cover the entire appliance for one period of time and cover selected parts—such as the transmission in a washer or the sealed refrigeration system in a refrigerator—for a longer time. For replacement of some parts, such as the tank in a water heater, you may be required to pay a prorated fee that increases with the age of the appliance.

Many appliance warranties cover parts; warranties may also cover service labor. Parts and labor may not be covered for the same length of time.

When labor is covered, the manufacturer may reimburse the servicing agency, or the dealer may be responsible for cost of the labor. When service labor is the responsibility of the dealer and you move out of the dealer's locality, you may be required to pay for service from another agency.

Even though parts and labor may be covered in a warranty, travel costs to reach your home or shipping charges for the parts may not be.

For protection after the warranty expires, a service contract can be purchased. A service contract, like health insurance, is most worthwhile when there is a chance of a large expense. It is useful also because it spreads the cost of repairs over many consumers and allows you to budget for repairs. Furthermore, if your past experience

indicates that your appliances need frequent servicing, a service contract may save you money.

The extent of coverage differs from one contract to another. For example, the contract might cover parts, labor, and travel to the home, or it might cover parts only.

Some contracts do not cover nuisance calls (to plug in the appliance) or calls for education only. Other contracts might have a minimum fixed fee for each service call, beyond which the contract covers the costs; this would be similar to auto insurance with a deductible clause.

You can expect cost of the contract to vary with extent of the coverage.

Service contracts may be available at any point in the appliance's life. Because the chance that service may be required is likely to increase with the age of the appliance, the cost of service contracts may also increase with its age.

Only relatively large dealers or dealers with strong connections with the manufacturer are likely to be able to offer service contracts. Beware of contracts with dealers who might go out of business before the contract expires.

Consumers frequently complain about the cost of servicing appliances. The repair bill may be broken down to show details of the charges, or the cost of parts may be separated out and all other charges combined into a labor charge.

Sometimes consumers assume that the entire charge for labor goes to the serviceman. In reality the labor charge must cover not only the cost of the serviceman's time in the home but also his travel time, the expenses of the truck, the inventory of parts, training the serviceman, and maintaining the office. To cover all costs, the charge for the serviceman's time should be two and a half to three times the wages paid to the repairman.

Although most servicing is done well and charges are fair, sometimes consumers are not satisfied with results of repair work or with the charges. If dissatisfied, you may choose one of many ways to handle your complaint.

First, discuss the problem with the servicing agency. Describe the complaint fully but in as concise a way as possible. If you cannot resolve the problem locally, write to the manufacturer giving details of the service problem and all other information needed to understand the complaint.

If you choose to handle your complaint locally, contact your Better Business Bureau.

If you feel that a law suit against the servicing agency is in order, check on use of small claims court. Such courts have been established in many states. A small fee is required to register your case but a lawyer is not needed.



Complaints may also be registered with the Federal Trade Commission and the President's Office of Consumer Affairs.

The appliance industry has established a mechanism for handling complaints about major appliances. If you have reported your problem to the manufacturer and are not satisfied with the action, write to the Major Appliance Consumer Action Panel (MACAP), 20 N. Wacker Drive, Chicago, Ill. 60606. Report details of the problem, including actions previously taken. MACAP will study the problem and recommend a solution. More than 90 percent of the complaints handled by MACAP have been resolved to the consumer's satisfaction.