

# Business

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## ASK A LAWYER

# Treat all consumers fairly to stay clear of lawsuits

**As a business owner, what are my potential liabilities to consumers under the N.J. Consumer Fraud Act?**

In 1971, New Jersey passed an amendment to its Consumer Fraud Act (CFA), which made it one of the strongest and most comprehensive consumer protection laws in the nation.

The CFA permits consumers to file a lawsuit against a business that has engaged in any deceptive or "unconscionable" practice. If a consumer proves a business has violated the CFA, a court will award the consumer triple the amount of the actual damages and order the business to reimburse the consumer for attorneys' fees. Even if the business has unwittingly violated any of a number of consumer protection regulations, the CFA requires the business to reimburse the consumer for attorneys' fees. If the commercial practice of which the consumer complains had the "capacity to mislead," a

business may be held liable under the CFA even if it did not intend to deceive the consumer. Under certain circumstances, even businesses purchasing products and services may be deemed "consumers," entitled to the protections and remedies of the CFA.

In light of the CFA's broad scope and powerful remedies, how can a business protect itself? First, business owners need to educate all employees dealing with the public about the CFA and the importance of being courteous and solicitous of customers who voice a complaint. Many lawsuits under the CFA could have been avoided by early and courteous intervention with a disgruntled customer. Second, all advertisement, sales and product literature and consumer contracts should be rigorously reviewed to ensure that they are fair, not likely to mislead the consumer and include all relevant information. Finally, there is no

substitute for following the time-honored business principle of treating all consumers fairly and with respect.

Although the customer is not always right, businesses should keep in mind there is a good chance that the jury deciding a consumer fraud allegation against a business will be primarily composed of consumers.

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