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'Going Out of Business' Sales Can Trick Shoppers in Several Ways

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Going out of business sales may seem like golden opportunities to grab great deals. But before you head to one, here are a few things to keep in mind.

— [This article](#) originally was posted on the Federal Trade Commission's Consumer Information blog. Colleen Tressler is a consumer education specialist at the FTC.

How can you tell if you're getting a good deal?

Comparison shopping is your best bet. Check to see if someone is selling the same, or similar, products somewhere else for less. If you're at the store, use your smart phone to [compare prices online](#).

Who's handling the sale?

Most large retailers sell off their merchandise to third party liquidators, who hold the sale.

- Liquidators may base discounts on the manufacturer's suggested retail price, which often is higher than what stores typically charge. That means **items can end up costing more than they did before the sale began.**
- Liquidators generally **don't honor coupons or store credits.**
- They probably also have a **"no refunds or returns" policy.** So, look things over carefully before you buy them.
- If you have a **gift card** for a store that's going out of business, use it right away. There may be a deadline to use it. After that, your card will be worthless.

When can a company advertise a going out of business sale?

The short answer is: only when a store is going out of business.

It's against the law to advertise a going out of business sale when a store isn't, well, going out of business.

If a store in your area is advertising what looks to be a bogus going out of business sale, tell your [state Attorney General's office](#).

For more tips to help you save money, check out [Shopping & Saving](#).