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§12-511.

(a) In this section, “billing error” means the initial occurrence of an error in a billing statement given to a buyer by the holder of an account, which error results from:

- (1) An omission or commission by the holder in posting any debit or credit;
- (2) The computation of any amount; or
- (3) Any similar error of an accounting nature.

(b) The provisions of this section do not apply to a status inquiry made under § 12-510 of this subtitle if a billing error is not asserted by the buyer.

(c) If, on receipt of a billing statement from a holder, a buyer believes the billing is in error, he may inquire as to the computation of the statement. The inquiry by the buyer shall:

(1) Be made within 60 days of receipt of the billing statement which contains the claimed error;

(2) Be in writing and sent to the holder by mail at the address designated on the statement pursuant to § 12-503(i) of this subtitle; and

(3) Set forth sufficient information to enable the holder to identify:

(i) The buyer and the account;

(ii) The amount and transaction shown in the billing statement which the buyer in good faith believes to be a billing error; and

(iii) The facts providing the basis for the buyer’s belief that the billing statement is in error.

(d) On receipt of an inquiry under this section, the holder shall:

(1) Within 30 days after its receipt, mail a written acknowledgement to the buyer; and

(2) Within 60 days after its receipt, before taking any action to collect the amount believed by the buyer to be a billing error:

(i) Make appropriate corrections in the account and mail to the buyer a written notice which states that the amount believed to be in error has been corrected and will be so shown on the next billing statement mailed to him; or

(ii) Send to the buyer a written notice which sets forth in a clear and definitive manner the reasons why the holder believes that the account was correctly shown in the statement.

(e) Notwithstanding the receipt of an inquiry, the holder may:

(1) Transmit to the buyer regular periodic billing statements which include the amount believed by the buyer to be a billing error; and

(2) Undertake collection of any amount which the buyer does not dispute under this section.

(f) On or before the first billing statement for a new account, the holder shall send to the buyer a written notice which describes the procedures to be followed by a buyer under this section to claim a billing error.

(g) On receipt of an inquiry under this section, until the holder has complied with the provisions of this section, he may not communicate to any person, including any credit bureau or credit reporting agency, unfavorable credit information concerning the buyer and based on the buyer's failure to pay the amount believed by him to be a billing error.

(h) If a holder of an account receives a written inquiry from a buyer under this section and fails to comply with the requirements of this section, then:

(1) If the disputed amount is not a billing error, the holder:

(i) May proceed to collect the disputed amount; and

(ii) Shall forfeit the right to collect any finance charge assessed on the account in connection with the disputed amount from the date of the mailing of the written inquiry to the date the holder complies with this section; or

(2) If the disputed amount is a billing error, the holder:

(i) May not collect the amount of the error or any finance charge on that amount; and

(ii) Is liable to the buyer for his actual damages sustained as a result of the failure of the holder to comply with this section.

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