



CONSUMER GUIDE TO ALARM COMPANIES

Home security systems protect people, their families, and their valuables. The Bureau of Security and Investigative Services (BSIS) — part of the California Department of Consumer Affairs—protects consumers by licensing and regulating the companies and employees that provide home security systems.



BUREAU OF SECURITY AND INVESTIGATIVE SERVICES

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REQUIREMENTS FOR DOING BUSINESS

Alarm companies providing home security systems must be licensed by BSIS to:

- (1) Sell alarm systems on a consumer's premises (section 7590.1(o), California Business and Professions Code).
- (2) Install, service, repair, and monitor alarms.
- (3) Respond to alarm activations. (The person responding can be an alarm agent or a private patrol operator's security guard.)

Retail stores may sell alarm systems without being licensed, but only at the store, and they may not perform any alarm company functions. Alarm monitoring companies that monitor systems in California also must be licensed.

Local governments may require alarm companies to have a business permit and may charge a fee to system owners or renters.

WHAT'S IN A CONTRACT

Before signing a contract with an alarm company, get estimates (three or more) from licensed companies. Check licensing information at www.bsis.ca.gov or call (800) 952-5210. Ask for referrals from friends and family members who've had successful experiences with alarm companies. Be sure your contract specifically states who will monitor your alarm system. Alarm company contracts must be in writing and must include:

- The alarm company's license number.
- The alarm agent's registration number (issued by BSIS) if an agent solicited or negotiated the agreement.
- The approximate dates the work will begin and end.
- A description of the alarm system to be installed.
- Other services to be provided after installation.

The contract must also state that the company will teach the buyer how to use the system. In addition, residential sales or lease agreements that exceed \$250 must include a schedule of payments and information about the permit fees charged by local governments. **(NOTE:** A downpayment should not exceed \$1,000 or 10 percent of the contract price — whichever is less — according to sections 7599.54 and 7599.55 of the California Business and Professions Code.)

Most alarm company contracts contain what's known as an "evergreen" or "rollover" clause. This allows automatic renewal of the monitoring portion of the contract unless the customer cancels the contract in writing by the date indicated in the contractual agreement (normally 30 days before the contract). This clause must be explained to customers before they sign the contract.

WHAT TO DO IF YOU HAVE A PROBLEM

Consumer complaints against alarm companies include false alarm, contract disputes, rollover monitoring renewal, and unauthorized monitoring services. Industry complaints involve advertising violations and unlicensed activity.

You can file a complaint online at www.dca.ca.gov/online_services/complaints or call (800) 952-5210.

