

The Bureau recommends footnoting applicable Business and Professions Code (BPC) sections throughout the brochure.

CONSUMER GUIDE TO ALARM COMPANIES

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(0)~~^[Note this is an incorrect citation and is being corrected in the footnote.], ~~California Business and Professions Code~~^{.¹}.)
2. Install, service, repair, and monitor alarms.¹
3. Respond to alarm activations.¹ (The person responding can be an alarm agent² or a private patrol operator's security guard³.)

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.⁴

WHAT'S IN A CONTRACT

Before signing a contract with an alarm company, get estimates (three or more) from licensed companies. Check licensing information [on the BSIS website's "Verify a License" webpage](#) at www.bsis.ca.gov http://www.bsis.ca.gov/forms_pubs/online_services/verify_license.shtml 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, [among other requirements, the following information \(see Business and Professions Code \(BPC\) section 7599.54 for a complete list of all contract requirements\)](#):

- The alarm company's [name, business address, telephone number, and](#) license number.
- The alarm agent's registration number (issued by BSIS) if an agent solicited or negotiated the agreement.

¹ [BPC 7590.2](#)

² [BPC 7590.1\(o\)](#)

³ [BPC 7590.3\(d\)](#)

⁴ [BPC 7592.8](#)

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- 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, initial residential sales ~~or~~ and lease agreements that exceed \$250 must include a schedule of payments and information about the permit fees charged by local governments.⁵ (**NOTE:** A ~~downpayment~~ down payment should not exceed \$1,000 or 10 percent of the contract price, excluding finance charges – whichever is less. – according to sections 7599.54 and 7599.55 of the California Business and Professions Code.)

~~Most a~~Alarm company contracts may contain what's known as an "evergreen" or "rollover" clause. This allows automatic renewal of the monitoring portion of the alarm contract unless the customer cancels the contract in writing by the date indicated in the contractual agreement (normally 30 days before the contract expires). ~~This clause must be explained to customers before they sign the contract. Consumers should be aware if such a clause exists in their contract and/or question the alarm company's policy on contract cancelation.~~

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 <http://www.bsis.ca.gov/consumers/complaints.shtml> or call (800) 952-5210.

⁵ [BPC 7599.54\(j\)](#)