



**Consumer Federation of America**

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NORTH AMERICAN CONSUMER PROTECTION INVESTIGATORS

**Consumer Federation of America  
North American Consumer Protection Investigators  
2016 Consumer Complaint Survey Report  
July 27, 2017**

**Table of Contents**

INTRODUCTION.....	3
KEY FINDINGS.....	4
TOP COMPLAINTS.....	5
FASTEST GROWING COMPLAINTS.....	6
WORST COMPLAINTS.....	6
NEW TYPES OF CONSUMER PROBLEMS.....	7
NEW LAWS NEEDED.....	8
REAL WORLD COMPLAINTS AND WHAT CONSUMERS SHOULD DO.....	9
AUTO.....	9
CHARITIES.....	11
CREDIT/DEBT.....	11
EMPLOYMENT.....	13
FRAUD.....	13
FUEL.....	16
HEALTH PRODUCTS/SERVICES.....	16
HOME IMPROVEMENT/CONSTRUCTION.....	18
HOME SOLICITATIONS.....	20
HOUSEHOLD GOODS.....	21
IDENTITY THEFT.....	23
INTERNET SALES.....	24
INVESTMENTS.....	25
LANDLORD/TENANT.....	26
RETAIL SALES.....	27
SCHOOLS.....	29
SERVICES.....	29
TIMESHARES.....	31
TOWING.....	32
TRAVEL.....	33
UTILITIES.....	34
CONSUMER AGENCIES' BIGGEST ACHIEVEMENTS.....	35
CONSUMER AGENCIES' BIGGEST CHALLENGES.....	39
METHODOLOGY.....	42
APPENDIX A: AGENCIES PARTICIPATING IN SURVEY.....	43
APPENDIX B: TIPS FROM THE SURVEY.....	45

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**Introduction**

This survey conducted by **Consumer Federation of America**<sup>1</sup> and the **North American Consumer Protection Investigators**<sup>2</sup> provides a snapshot of the most common complaints that state and local consumer protection agencies received last year. We also asked the agencies about the worst, fastest-growing, and new types of complaints reported to them; their biggest achievements and challenges; and what new laws are needed to better protect consumers. Thirty-nine agencies in twenty-three states responded to the survey.

These agencies perform multiple functions. Their staffs answer questions from consumers and businesses, provide advice, mediate individual complaints, and conduct educational outreach. Many agencies have administrative, civil and/or criminal authority to stop unfair, deceptive, or fraudulent practices, obtain restitution, and ensure a level playing field for businesses. In addition, some oversee new car lemon law claims, guarantee funds and other formal complaint resolution programs; test scales, price scanners, and meters for accuracy; and regulate or license certain types of businesses and professions.

Since state and local consumer protection agencies operate “where the rubber meets the road,” they are often the first to detect new scams and other problems in the marketplace. When disaster strikes, whether it’s severe weather or events such as the foreclosure crisis, they are among the first responders, setting aside their usual work to focus on helping people find the resources they need and preventing them from being exploited.

Consumer protection is so fundamental that we sometimes take it for granted, but we shouldn’t. The biggest challenge that many state and local consumer protection agencies face is lack of adequate resources. Their budgets are often on the chopping block when cuts need to be made, and they are sometimes given new responsibilities without additional personnel.

Federal agencies generally don’t resolve individual complaints, with some exceptions such as the Consumer Financial Protection Bureau. No one from a federal agency is going to go out to look at the problems with a home improvement job or pick up the phone to call a car repair shop on a consumer’s behalf. State and local consumer protection agencies perform these types of one-on-one services, providing tangible public benefits and demonstrating the value of government. They deserve our appreciation and support.

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<sup>1</sup> *Consumer Federation of America is an association of over 250 non-profit consumer groups that was established in 1968 to advance the consumer interest through research, advocacy, and education.*

<sup>2</sup> *The purpose of the North American Consumer Protection Investigators is to provide consumer protection investigators, both civil and criminal, of the respective governments (local, city, county, state/provincial, federal/territory) with educational training at annual conferences; periodic teleconferences; network and exchange information; and cooperate in matters involving consumer protection investigations, education, and litigations, of mutual concern to all.*

## Key Findings

- **The 39 state and local consumer protection agencies in the survey received more than 203,284 complaints last year and saved or recovered \$161,431,134 through mediation and other actions.** This does not include the money that people avoided losing due to their advice or the savings to businesses and court systems that resulted from their resolving complaints informally.
- **Auto-related problems topped the list of most common complaints.** Many people rely on their cars to get to work, shop for groceries, attend school, see their doctors, and generally go about their daily lives. When the cars they've bought are defective, the repairs they paid for are shoddy, or their cars have been improperly towed, it's more than an inconvenience.
- **Home improvement and construction, another major investment for consumers, was the second most commonly reported complaint.** Faulty work, failure to complete or even start the job can leave homeowners not only poorer but in dire living circumstances in some cases.
- **Utilities rounded out the top three complaints.** These include installation issues, service problems and billing disputes with telephone, internet, cable, electric, and gas services.
- **Though it did not make the top ten complaints, fraud was most frequently cited as the fastest-growing category of complaints last year.** These included fake offers for employment, phony government grants, rental scams, bogus health cures, and loan scams. Imposters abounded as well; one county consumer protection agency received a rash of complaints about fraudsters posing as county officials to try to shake down residents for "fines" for allegedly missing court dates. Payment via gift cards is new trend in fraud. Complaints about **cable, phone and internet services** and **health services** were the other top fastest-growing complaints last year.
- **Fraud, home improvement problems and used car sales topped the list of "worst" complaints.** The agencies we surveyed based their responses to this question on the number of complaints about a particular topic or company, the dollar amount involved, the impact on vulnerable consumers, or just the sheer outrageousness of the situation.
- **State and local consumer protection agencies are constantly dealing with new types of complaints.** Last year these ranged from identity thieves offering homeless people free phones in order to steal their personal information to timeshare companies insisting that consumers must continue to make their payments even though the properties had been destroyed by fire.
- **Problems with solar energy sales and used car leasing are emerging issues to watch.** Complaints about high-pressure sales tactics for solar systems, confusing contract terms, and faulty installation are beginning to be reported and could increase as this industry grows. The issue with used car leasing is that if the vehicle is defective, state lemon laws and other consumer protections may not apply.
- **Among the suggestions for new laws needed to better protect consumers is requiring telephone companies to block illegal robocalls and other scam calls.** While the Federal Communications Commission and industry are addressing this problem, more needs to be done.
- **The biggest challenge for state and local consumer protection agencies continues to be lack of adequate staffing.** This is sometimes due to budget cuts or hiring freezes; in other cases agencies are tasked with overseeing new programs or other new responsibilities without commensurate staff increases.

## **Top Ten Complaints in 2016**

These are the top complaints that state and local consumer protection agencies received last year based on the CFA survey. Their ranking in the survey report for 2015 complaints is noted in parenthesis.

1. **Auto** (1) Misrepresentations in advertising or sales of new and used cars, lemons, faulty repairs, leasing and towing disputes.
2. **Home Improvement/Construction** (2) Shoddy work, failure to start or complete the job.
3. **Utilities** (3) Installation issues, service problems, billing disputes with phone, cable, satellite, Internet, electric and gas service.
4. **Retail Sales** (5) False advertising and other deceptive practices, defective merchandise, problems with rebates, coupons, gift cards and gift certificates, failure to deliver.
5. **Credit/Debt** (4) Billing and fee disputes, mortgage modifications and mortgage-related fraud, credit repair, debt relief services, predatory lending, illegal or abusive debt collection tactics.
6. **Health Products/Services** (9) misleading claims, unlicensed practitioners, failure to deliver, medical billing issues.
7. **Services** (6) Misrepresentations, shoddy work, failure to have required licenses, failure to perform.
8. **Tie: Landlord/Tenant** (7) Unhealthy or unsafe conditions, failure to make repairs or provide promised amenities, deposit and rent disputes, illegal eviction tactics; **Household Goods** (8) Misrepresentations, failure to deliver, faulty repairs in connection with furniture or appliances.
9. **Internet Sales** (10) Misrepresentations or other deceptive practices, failure to deliver online purchases.
10. **Home Solicitations** (not in top ten last year) Misrepresentations, abusive sales practices, and failure to deliver in door-to-door, telemarketing or mail solicitations, do-not-call violations.

This list is based on the categories most frequently cited as being in participating state and local consumer protection agencies' top ten complaints last year. Those agencies, listed in **Appendix A**, deal with a wide range of consumer issues. The survey provides a snapshot of the types of problems that were most commonly reported to them in 2016; it is not a random survey of consumers. See **Methodology** for further details.

We provide examples of the top ten and other complaints from the files of state and local consumer protection agencies that participated in the survey in the **Real World Complaints** section of this report and under **Enforcement** in the **Agencies' Biggest Achievements** section. Tips to help consumers avoid these problems and know what to do if they encounter them appear throughout the report and are collected in **Appendix B**.

## **Fastest-Growing Complaints in 2016**

The top three fastest-growing complaints to state and local consumer protection agencies last year were:

- 1. Fraud**
- 2. Cable, phone and internet services**
- 3. Health services**

Fraud is a perennial problem, but different types of scams rise and fall in popularity. Apartment rental scams, bogus offers of employment, false promises of loans, phony government grants, bogus health cures, and imposters posing as local officials were cited as particularly fast-growing last year (see fraud complaint examples on pages 13-16).

An event such as a natural disaster, or the behavior of a single business, can result in a spate of complaints. For example, Frontier Communications' acquisition of cable, phone and internet customers in Central Florida from other companies led more than a thousand consumers to complain to state and county agencies about service or billing problems (page 34). Many health services complaints centered on billing and collection issues, such as when a Maryland nursing home commandeered the Social Security payments of residents who were delinquent on their fees without first notifying them (page 16). Sometimes complaints are fast-growing because an agency is handling a new issue; for instance, a county agency in California that is newly responsible for enforcing local wage laws said that minimum wage violations were its fastest-growing complaint (page 13).

Other complaints that agencies mentioned as fastest-growing concerned auto sales, home improvement, 3<sup>rd</sup> party warranty claims, tax preparers, confusing contract terms, refunds for merchandise that was never delivered, privacy issues, and timeshares.

## **Worst Complaints in 2016**

We asked agencies about the worst complaints they received last year based on the number of complaints about a particular topic or company, the dollar amount involved, the impact on vulnerable consumers, or the sheer outrageousness of the situation. The top three worst complaints were:

- 1. Fraud**
- 2. Home improvement**
- 3. Used cars**

Though fraud is not in the top ten complaints of 2016, its impact on victims can be significant, especially on seniors on fixed incomes and people with limited means. Agencies particularly cited scams involving imposters posing as the IRS, phony offers to help retrieve unclaimed funds, sweepstakes scams, solar sales scams, and affinity fraud. Home improvement (pages 18-20) and used car problems (pages 9-11) can also have serious consequences for consumers in terms of financial loss and inconvenience.

Other complaints that were deemed among the worst involved immigration services, do not call violations, used appliance sales, storage businesses, sales of electric service, electronic stores, timeshares, internet sales, high-priced loans, school closings, electronics stores, towing, retail pricing, wedding photo services, travel, and tire sales.

## **New Consumer Problems in 2016**

The new types of consumer problems that state and local consumer protection agencies encountered last year illustrate the wide range of issues they handle. They included:

- A passport service that disappeared after consumers paid for its services (page 31).
- Websites that displayed the mugshots of individuals who were arrested and offered to remove the photos, for a fee.
- Crowdfunding investments that didn't pan out (page 25).
- Identity thieves giving low-income and homeless people free phones to collect their personal information (page 24).
- Fraudsters asking victims for payment via gift cards (page 15)
- Mortgage companies withholding insurance funds from flood victims (page 12).
- Solar sales problems (pages 18 and 20).
- Condo and coop disputes.
- Retrieving refunds from a private school (page 29).
- Consumers accused of shoplifting being billed for civil fines with no ability to contest their guilt (page 27).
- Home improvement contractor affinity scams.
- Pet stores selling sick animals (page 27).
- Timeshares still collecting fees from consumers even though the properties were destroyed by wildfires (page 32).
- Businesses having trouble getting payments due them from third-party payment processors (page 31).
- Complaints against chimney sweeps.
- An optometrist who refused to give consumers their prescriptions so that they could fill them elsewhere (page 17).
- Used car leasing (page 10).

Problems with solar energy sales and used car leasing were mentioned by some agencies as emerging issues to watch. Complaints about sales tactics for solar systems are not new; in the late 1970s federal tax credits for solar energy equipment fueled some aggressive and misleading sales practices. More recently, as consumers have become increasingly conscious of global warming, the cost of solar equipment has come down, and new financing options have been offered, the industry is growing. This is good for the environment and for consumers' pocketbooks, but problems with sales practices are beginning to be reported, as are complaints about confusing contract terms and faulty installation.

Used car leasing is attractive to some consumers because little or no down payment is required and the monthly payments are low. The interest rates may be relatively high, however. Furthermore, state lemon laws and other consumer protections may not apply to these transactions. Consumers may be stuck with used cars that repeatedly break down or be on the hook for costly repairs.

## **New Laws Needed**

We asked state and local consumer protection agencies what new laws are needed to better protect consumers. Some suggested that telephone companies should be required to do more to block illegal robocalls and other scam calls. Progress is being made to address this problem. The Federal Communications Commission has proposed [rules](#) which would allow phone companies to block robocalls in certain circumstances where the Caller ID appears to be spoofed. The industry Robocall Task Force is working on detecting and blocking illegal robocalls and individual carriers are providing customers with advice and new tools. See <https://www.fcc.gov/consumers/guides/stop-unwanted-calls-texts-and-faxes#call-blocking-resources>. CFA has joined other groups in [calling](#) on the FCC to go further to limit spoofed calls and to facilitate the blocking of illegal robocalls.

Other suggestions from the agencies for new laws to protect consumers were:

- Make it easier to act on complaints against businesses that operate only via the internet by requiring webhosting companies and Voice over Internet Protocol phone services to make the contact information of account holders available to consumer protection agencies and requiring websites to provide the complete physical address and phone numbers of their operators.
- Preserve the independence and powers of the Consumer Financial Protection Bureau.
- Protect consumers' privacy by banning the collection, use or sale of their browsing history and placing limits on buying and selling other types of personal information, and by mandating reasonable security to safeguard consumers' data.
- Require companies whose products and services are used by scammers (such as gift cards that are used as a method of payment to fraudsters) to take proactive prevention measures.
- Prohibit deceptive unbundling of prices in advertising, such as airline ticket prices that don't include things that consumers may expect such as carry-on bags and guaranteed seating.
- Bar individuals who have criminal histories from obtaining permits for door-to-door sales.
- Create a single portal at the federal level through which all charities must register.
- Strengthen breach notification laws, including broadening the definition of personal information to include health-related and biometric data that is linked to an individual.
- Prohibit trade-in vehicles from being sold until the financing has come through on the new vehicle that that consumer is buying.
- Allow only licensed contractors to place liens on consumers' homes for unpaid work.
- Update debt collection laws and rules to address debt buyers.
- Strengthen tenants' rights by requiring landlords to remedy mold and mildew problems.
- Limit interest rates and provide other protections for borrowers of payday and other short-term loans.
- Treat the administrative actions that some consumer protection agencies can take the same as court judgements to strengthen the agencies' abilities to enforce them.
- Toughen laws against identity theft, crimes against veterans, and exploiting the elderly.
- Enact laws to protect buyers of used car lemons.



## **Real-World Complaints and What Consumers Should Do**

### **Auto**

#### ***Costly Add-ons Cancelled***

A Virginia consumer purchased a new car along with a “total loss protection coverage plan” from the dealer for an additional \$899. The plan could be cancelled for a full refund within 30 days. But when the consumer attempted to cancel, the dealer never returned the calls. By the time they connected, the 30 days had elapsed and the dealer claimed that it was too late. The **Fairfax County, Virginia Department of Cable and Consumer Services** successfully negotiated for the plan to be cancelled for a full refund.

A couple agreed to make a \$5,000 down payment on a used car but could only withdraw \$2,500 from the bank that day, so they returned to the dealership the next day with the balance. They were informed that they needed to pay an additional \$3,000 plus tax for an extended warranty, which they had never requested. After mediation by the **New York City Department of Consumer Affairs**, the couple received a full refund for the unwanted add-on.

*Resist pressure to buy extended warranties or other expensive add-ons when you purchase a car. They're usually not worth the cost and don't provide much more protection than you already have under the warranty and your insurance coverage.*

#### ***Wreck Replaced***

When a Vermont couple bought a brand-new Honda from a local dealer, they were perplexed that the VIN number was different than the one on the sales contract but said nothing. Some months later, however, they noticed a 3 x 3 inch spot on the edge of the hood that was a slightly different red color than the rest of the vehicle. The dealer insisted that there had merely been a blemish on the hood that was touched up, but when the couple brought the car to two different repair shops for inspection they confirmed that it had been in an accident. In complaint mediation with the **Vermont Attorney General's Office**, the dealer supplied the consumer with a new replacement vehicle.

*If there is something in the auto sales contract that doesn't match what is on the vehicle or what the salesperson told you, beware! You may want to steer clear of the deal.*

#### ***Good Vibrations***

A consumer complained to the **Montgomery County, Maryland Office of Consumer Protection** about being charged by an auto repair shop for unsuccessful work to fix a vibration in the driveline. At that point, there was a fair amount of animosity between the parties. An investigator for the agency arranged for an in-person meeting to examine the vehicle and try to work out a settlement. During the meeting, the investigator determined that one part that was needed had not been installed, and another part had been installed backwards. Once those mistakes were corrected, the vibration was gone, and the consumer also received a refund of some of the repair costs.

*Look for auto repair facilities that feature technicians certified by the nonprofit National Institute for Automotive Service Excellence (ASE). For more information go to [www.ase.com](http://www.ase.com).*

#### ***Dealer Does the Right Thing***

After buying a used car for \$21,000, a South Carolina consumer found that it needed repairs to the knock sensors, the alternator, both front drive hubs, the exhaust, the transmission, the air conditioning and heating, and the electric system. Unable to make the repairs, which would have cost more than

\$6,000, and still afford the car payments, the consumer asked the **South Carolina Department of Consumer Services** for help. The dealer agreed to take care of all of the problems.

*Before you buy a used car, have it checked out by a mechanic you trust to look for problems that might not be obvious to you until after the purchase.*

### ***Help with Hazardous Car***

The first day that a Long Island woman's teenage son drove the used car that she bought for him, it had engine problems. She took it to a mechanic, who determined that there had previously been a fire under the hood and the damage was so extensive that the car was unsafe to drive. The dealer, who never informed the woman that the vehicle was involved in a fire and had assured her that it was in perfect working condition, refused to take it back. With the help of the **New York State Department of State Division of Consumer Protection**, she was able to return the hazardous car for a full refund of \$14,000.

*You might have the right to return a car if the dealer concealed information about previous damage or other problems that could have affected your decision whether to buy it. Ask your state or local consumer protection agency for help.*

### ***Tough Luck***

In another case of undisclosed damage, a consumer brought the used car he'd recently bought to a mechanic after repeated trips back to the dealer for repairs to the headlights failed to fix the problem. The mechanic said that the vehicle had been in an accident and as a result the fuse box needed to be replaced. The **Louisiana Attorney General's Office** was unable to convince the dealer to take the car back, however, because he insisted that the fact that it was sold "as is," which is allowed by state law, absolved him of any responsibility.

*Eyeing a used car? Get its previous history through the National Motor Vehicle Title Information System, [www.vehiclehistory.gov](http://www.vehiclehistory.gov), so you'll know what you're bargaining for. However, there may be problems that don't show up in these reports. For instance, not all states require cars that were bought back as "lemons" to be "branded" as such. And some states allow used cars to be sold "as is," which means that there is no warranty. So it's important to have the car checked by a mechanic and ask your state or local consumer protection agency what your rights are BEFORE you sign on the dotted line.*

### ***Dealer Leaves Consumers in the Lurch***

Consumers were left in the lurch when a used car dealer in Ohio closed its doors and moved out of state. Some who had traded in their vehicles discovered that the liens had never been paid off as promised. Others hadn't received titles for the cars they'd purchased from the dealer or the extended warranties that they'd paid for. The **Summit County, Ohio Office of Consumer Affairs** worked with the state attorney general's office to resolve dozens of complaints against the dealership.

*Don't drive the car off the dealer's lot until you have everything you need to register it and any other paperwork that you were promised. If you traded in a car that you were making payments on, check with the lender to make sure that the lien has been paid off.*

### ***Leased Used Car Lemon***

When electrical problems started with a used car that a Massachusetts woman was leasing, she asked the dealer to fix them. He said he would, for the "discounted" price of \$4,000. She asked to be let out of the lease, but he refused. Unfortunately, none of the auto-related laws in the state – the New Car Lemon Law, the New Leased Car Lemon Law, the Used Vehicle Warranty Law, or the Lemon Aid Law (which covers cars that fail inspection) – apply to the lease of a used car. The **Massachusetts Office of Consumer Affairs and Business Regulation** is exploring legislative solutions to fill this gap in protection.

*Leasing a used car may be an attractive option if you can't afford to buy one or don't qualify for a loan, but who is responsible for fixing it if something goes wrong? If there is a warranty, get it in writing. If there isn't, ask yourself these questions: Do you have the money to make repairs? Does it make any sense to pay to repair a car you don't even own? If the answers are no, don't do the deal.*

### **Sticky Situation**

A disabled senior signed a lease for a new car with the understanding that the monthly payments would be \$235, but they turned out to be \$360, which he could not afford. The higher amount was due to several add-on services that he never agreed to. In response to his demand for a refund, \$1,220 was deducted from the contract but it did not decrease the monthly lease payments. When the **Vermont Attorney General's Office** attempted to mediate, the dealer produced a video of the transaction to disprove the man's claim that he had difficulty understanding the agreement. The man protested but he was stuck with the deal that he had made.

*Whether you're buying a car or leasing it, read the contract carefully to make sure you know what you're getting and how much you're paying. Don't be rushed or pressured, ask questions, and if there is anything you still don't understand, show the paperwork to someone you trust before you sign.*

### **Charities**

#### **Check That Charity**

Charities must register with the **Utah Division of Consumer Protection** in order to ask for contributions in the state. In one case last year, the consumer agency discovered that an unregistered charity was soliciting donations at a convention and the spokesperson was falsely claiming to have an affiliation with the deceased celebrity Michael Jackson. The agency issued a fine and cease and desist order against the charity and the individual who made the misrepresentation.

*In most states, charities and the professional fundraisers that solicit for them must be registered. There's no need to donate on the spot – get the information about the charity and then ask your state or local consumer protection agency how you can check on it.*

### **Credit/Debt**

#### **Making a Mountain of a Molehill**

An Ohio woman was being hounded by a debt collector for \$154 in connection with a credit union account that she had closed years earlier. She thought that the account had a zero balance but no longer had any of the paperwork. When the **Cuyahoga County Department of Consumer Affairs** contacted the debt collector on her behalf, he also had none of the original paperwork and no interest in obtaining it. The consumer agency's investigator checked with the credit union, which found records indicating that the account had been closed in 2010 and the actual amount that was written off was \$4.24. The consumer agency has referred the complaint about the debt collector to the state attorney general.

*It's a good idea to keep documents on closed accounts for several years just in case questions arise later. You have the right to dispute a debt if you're not sure that you owe it and to ask the debt collector for more information. The Consumer Financial Protection Bureau provides tips on debt collection at <https://www.consumerfinance.gov/ask-cfpb/category-debt-collection/>.*

### **Relief for Payday Loan Borrowers**

The biggest achievement for the **Georgia Department of Law's Consumer Protection Unit** in 2016 was concluding its multi-year legal battle against payday lenders Western Sky Financial, LLC, Cash Call, Inc., and related entities. The settlement, which provided over \$40 million in relief to consumers in the state, came on the heels of a Georgia Supreme Court ruling that out-of-state internet lenders are subject to the state's Payday Lending Act, which prohibits making loans of \$3,000 or less unless the lender is licensed in Georgia or under federal law and caps the interest rates of such loans at ten percent.

Western Sky and its affiliates sold more than 18,000 loans to Georgia borrowers with interest rates of 140 to 340 percent. In addition to making restitution to consumers, the defendants agreed to forgive all outstanding loans (totaling \$17 million), pay a \$1 million civil penalty, reimburse the state \$500,000 for attorneys' fees and costs, and not to engage in any further lending activities in Georgia that do not comply with state law.

*Payday loans are very expensive and can trap you in a never ending cycle of debt. Be sure you understand how the loan works, how much it costs, and if that kind of loan is legal where you live. Saving even a small amount of money regularly can help you buy what you need and avoid high fees. For more information about payday loans go to <https://www.consumerfinance.gov/ask-cfpb/category-payday-loans/other-payday-questions/>.*

### **Bad Deal**

The worst complaint that the **Howard County, Maryland Office of Consumer Protection** received last year started when a man received a phone call from a business that offered to "purchase" a portion of his federal pension in exchange for a lump sum payment. He agreed to "sell" four years of his pension payments worth around \$30,000 for \$4,700 (\$5,000 less a \$300 processing fee). Under state law, this transaction was actually a loan, with a usurious annual interest rate of more than 150 percent. Furthermore, the business is not a licensed lender. The complaint has been referred to state regulators for further investigation and possible enforcement action.

*Pension advances, also known as pension sales, loans or buyouts, can be costly and leave you without enough money to live on. The Federal Trade Commission provides questions to ask and suggestions for other alternatives at <https://www.consumer.ftc.gov/articles/0513-pension-advances-not-so-fast>.*

### **Saving a Senior's Home**

The **Los Angeles County, California Department of Consumer and Business Affairs** saw an increase last year in the number of seniors facing foreclosure due to reverse mortgages, death of a spouse, or other issues. In one case, an 83 year-old woman was on the brink of losing her home due to the financial hardships she encountered when her husband died. To make matters worse, she paid \$6,000 to a foreclosure rescue scammer who falsely promised to save her home and lower her mortgage payments. The consumer agency was able to postpone the impending sale of her home and worked with her and the lender to obtain a loan modification with affordable monthly payments.

*In danger of foreclosure? It's illegal for a mortgage relief assistance service to ask for any payment before it has actually gotten an offer from your lender to modify the loan and you have accepted it. Learn about mortgage relief scams at <https://www.consumer.ftc.gov/articles/0100-mortgage-relief-scams>. Real help is free from the federal government. Go to [www.makinghomeaffordable.gov](http://www.makinghomeaffordable.gov) or call 888-995-4673, TTY 877-304-9707. Your state or local consumer protection agency may also be able to assist you.*

### **Frustrated Flood Victim**

The historic flood that affected Louisiana last August caused tremendous damage to many people's

homes. When there is a mortgage on the property, the insurance funds are sent to lender, and it wasn't long after the waters receded that the **Louisiana Attorney General's Office** began to receive complaints from consumers who were having trouble getting the money to begin to rebuild or repair their homes. In one case, a single mother of three thought that things were going smoothly after she filed a claim with her mortgage company and received the first draw on the money. She hired a licensed contractor, as required, and the first two inspections of the work went fine, triggering further draws to pay the contractor. But when it was time for the third inspection, she submitted the paperwork to the mortgage company and heard nothing. Every time she called, she got a new person who claimed that the documents had not been received. Desperate, still living a hotel with her children, the woman asked the consumer agency for help. The mortgage company said that there was a mix-up with the paperwork, but whatever the problem was, it was resolved: the money was released, the repairs were completed, and the family was able to move back into the home.

*If your home has been damaged or destroyed and there is a mortgage on it, you will need to work with your lender to get the insurance funds in order to make repairs or rebuild. The nonprofit consumer group United Policyholders provides tips on how to deal with this at <http://uphelp.org/pubs/getting-your-mortgage-company-release-insurance-proceeds>. While some of the information is specific to California, most of it is general and useful to disaster victims no matter what state they live in.*

## **Employment**

### ***Workers Win Their Wages***

A new ordinance in Los Angeles County, California increased the minimum wage for workers in unincorporated areas of the county starting last July. The **Los Angeles County Department of Consumer and Business Affairs** is in charge of enforcing the minimum wage law and handles complaints in that regard. In one case, a worker employed in the waste collection industry alleged that he was being underpaid. The consumer agency conducted an audit, revealing that 285 employees were shortchanged, and ordered \$26,845.75 to be paid in back wages.

*Workers are legally entitled to get the wages that they are owed. If you believe that you are being shortchanged by your employer, don't be afraid to stand up for your rights. Ask your state or local consumer protection agency where to go for help.*

## **Fraud**

### ***Saved from Further Disaster***

Disaster victims are vulnerable to fraudulent offers of help, and this was the case when a Louisiana flood victim received an official-looking letter informing him that he'd been qualified and approved for a government grant. Within the next day or so, he got a call from someone stating that all he had to do to receive his \$200,000 grant was to pay a \$300 processing fee. The caller instructed him to send it through a money transfer service and even provided him with the location for the nearest one. Excited, but somewhat wary of the urgency that the caller expressed, the man contacted a friend who had also been impacted by the flood. He urged the man to ask the **Louisiana Attorney General's Office** for advice. It's a good thing that he did – he learned that it was a scam and was saved from losing his money.

*After the Louisiana flooding, the Federal Emergency Management Agency issued a warning about scams to watch out for, including phony offers of disaster grants, see <https://www.fema.gov/news-release/2016/08/29/flood-survivors-urged-avoid-fraud-and-other-scams>. The government does not call people to offer them grants for anything, nor does it ask for any payment to help disaster victims.*

### ***Listen Up!***

Warning potential fraud victims doesn't always succeed in convincing them that it's *not* their lucky day. An elderly Massachusetts man was contacted by someone giving the impression that he was a US government official. He was told that he had money to be claimed but and must act quickly or he would lose his rights to it. To get the money released, he needed to pay a fee by buying prepaid cards and calling someone in a foreign country to provide the numbers on them. When the man went to a local drug store to buy several hundred dollars' worth of prepaid cards, the cashier tried to warn him that this might be a scam. He went ahead anyway. Predictably, once he'd done so the scammer contacted him again with more good news – he was due a larger amount of money. This required paying another fee, which he did. It was only after he was asked to make a third payment that he contacted the **Consumer Assistance Office – Metro West**. By that time he'd lost thousands of dollars, but at least the consumer agency stopped him from losing even more.

*Scammers like to receive payments in forms that can't be traced or recalled, such as prepaid cards and gift cards. If a store clerk warns you about possible fraud, listen up! Legitimate businesses don't want their customers to be hoodwinked and there is nothing they can do once the scammers have cashed in.*

### ***Going the Extra Mile***

Sometimes consumer agencies go to extraordinary lengths to save people from scams. When the **Montana Office of Consumer Protection** was alerted that an elderly woman had mailed \$1,500 to someone who convinced her that she had won the lottery, an investigator called her, but she refused to believe that she'd been lied to. Knowing that fraud victims are often hit by scammers repeatedly, the consumer agency decided that a more personal method of outreach was needed. It asked the local Area on Aging office to send an advocate to the woman's house to speak with her and provide her with educational materials about fraud. In the meantime, the consumer agency contacted the local postal inspector, who was able to retrieve the mail and recover the woman's money.

*Crooks take advantage of human nature – who wouldn't be excited to be told that they've won millions? It can be hard to convince people that the promises these con artists make are lies. If you know an older person who may be falling for sweepstakes or other scams, Adult Protective Services may be able to help. Go to [www.napsa-now.org](http://www.napsa-now.org) for a directory of the services that are available in every state.*

### ***A Losing Proposition***

Fraud was the fastest-growing complaint at the **Ohio Attorney General's Office** last year and one story provides a good example of a fake check employment scam. The consumer had a job but was looking for extra income, so he posted on various online job sites and was contacted by someone who offered him a position at a travel agency. The person provided him with a job description and employee agreement, which looked very official. He also researched the business, which appeared to be connected with another travel agency that arranged for cruises and other kinds of trips. He signed up and soon his "employer" was sending him checks with instructions to deposit them in his bank account, keep a portion of the funds and send the balances to other banks. The checks appeared to be from well-known companies and looked real. To reinforce the impression that it was all legitimate, the consumer was told to take pictures of the deposit slips and complete transaction reports. But it was a total scam, and the consumer lost more than \$14,000 before he discovered it.



*No legitimate employer would ask you to put customers' payments in your bank account and forward the funds. And just because a check has "cleared" doesn't mean that it's good. If it's phony, you'll have to pay your bank back the money you withdrew. Learn more at [www.consumerfed.org/fakecheckscams](http://www.consumerfed.org/fakecheckscams).*

### ***Rental Rip-off***

Rental scams continue to be one of the worst and fastest-growing complaints to the **San Francisco District Attorney's Office Consumer Protection Unit**. Soaring housing prices make ads for apartments at affordable prices very appealing, but in many cases scam artists have hacked legitimate listings and substituted their contact information and rental prices. Sometimes they even set up their own websites and use the names and license numbers of legitimate real estate agents. Victims send their deposits to the fraudsters and arrive to find that they have no place to live. An added element of these complaints is that, as in the fake check scams, innocent people, known as "money mules," can be recruited as the go-betweens. In one case, a widow living on Social Security was befriended by a stranger on Facebook who claimed to be working on an off-shore oil rig and needed help to handle the rental of his apartment. He asked the woman to accept the \$1,500 deposit from the would-be tenants and wire the money to him. Unfortunately, he was not the Prince Charming that she thought he was, and he had nothing to do with the apartment. Since she couldn't afford to return the money to the victims, there was no point in taking legal action against her. The last time the woman spoke to someone at the consumer agency, she confided that she had struck up a new online romance with a well-known celebrity.

*How can you tell if an ad for an apartment is real or a scam? If there is a real estate agency listed, get the number independently and call. You can also contact the tax assessor's office in the town or city in which the property is located to get the name of the owner.*

### ***Counterfeit Court Officials***

Imposter scams were the fastest-growing complaints to the **Cuyahoga County, Ohio Department of Consumer Affairs** in 2016. Many of the scammers claimed to be county officials. For example, a local man got a call from someone pretending to be from the Cuyahoga County court, informing him that there was a warrant for his arrest for failing to show up for jury duty and demanding that he pay \$1,500 in fines immediately. Frightened, the man followed instructions, driving to three different stores, with the scammer still on the phone line, to buy \$500 gift cards at each one. After reading the serial numbers of the cards to the scammer, he hung up, but then began to have misgivings. He called a friend in law enforcement, who told him that he'd been had. The consumer agency also received complaints from people all over the country who received an email "summons," purportedly from the Cuyahoga County court. Most of them had never been to Ohio, let alone Cuyahoga County. When the recipients called the toll-free number that was in the emails, they got a recorded message about winning a cruise.

*No one who is really from a law enforcement agency would call threatening to arrest you, nor would you ever be asked to pay a fine using gift cards or a money transfer service.*

### ***Would-be Borrowers Beware***

Loan scams on the internet are particularly pernicious because the fraudsters often obtain money and the victims' personal information, which can be used by identity thieves. In an incident reported to the **District of Columbia Attorney General's Office** last year, the victim filled out an application for a \$2,000 loan online from a company whose name she thought she recognized. She provided her Social Security number, bank account number, and other personal details, and paid \$475 for processing via a prepaid card, as instructed. She was promised that the loan would be made within two to three hours. When she did not receive the funds, she contacted the company again and was told that there was a problem with her bank and that the funds would be sent to her in two MoneyGram transfers. She was given the transaction numbers for the money transfers and asked to pay an additional \$250 to process them. That

was when she realized that it might be a scam and contacted the consumer agency. The agency determined that the scammers had nothing to do with the company that she thought she was dealing with and gave her advice about the procedures to follow as a potential identity theft victim.

*Steer clear of anyone who asks for a fee upfront to provide you with a loan. These are scams that are designed to steal your money, and sometimes your identity as well.*

## **Fuel**

### ***Pricey Petrol***

In September of last year, a gas pipeline servicing Tennessee broke, leading consumers to panic and gas stations to raise their prices considerably, in some cases by more than \$2 per gallon. The **Tennessee Department of Commerce and Insurance Division of Consumer Affairs** was inundated with complaints about price gouging. While no formal action was taken, division worked with other agencies, the industry and consumers in an attempt to help the market stay stable and transparent.

*When disasters strike, prices for fuel, food and other necessities often increase. Some state laws prohibit sellers from raising prices for certain types of products in emergency situations. If you suspect price gouging, check with your state or local consumer protection agency.*

## **Health Products/Services**

### ***Billing Blunders***

Disputes about bills for health services were the fastest-growing complaints to the **Georgia Department of Law's Consumer Protection Unit** last year. For example, numerous consumers contended that Family Dermatology, P.C. billed them for services for which they'd already paid or failed to submit claims to their insurers in a timely manner, resulting in the claims being denied. When consumers tried to contact the company to question the bills, they couldn't get through to customer service. In a settlement with the agency, the company agreed to refund consumers who paid bills they didn't owe, cease collecting on more than 42,000 accounts (representing nearly \$8.9 million), and pay \$5,000 in fees and penalties. It also agreed to change its billing practices to prevent similar problems in the future.

*When you have health care services that should be covered by insurance, ask whether the service provider will submit the bill to your insurer or if you need to do so. Once the insurance company processes the claim you should receive an Explanation of Benefits (EOB) that itemizes the charges and shows how much insurance will cover and what is your responsibility. If you notice anything wrong on the EOB or you get a bill that is incorrect, contact the health care provider's office immediately. Ask your state or local consumer agency for advice if you can't resolve the problem.*

### ***Social Security Snatched***

Complaints related to health services were also the fastest-growing at the **Howard County, Maryland Office of Consumer Protection**. In one case, a nursing home generated many complaints when it commandeered the Social Security payments of residents who were delinquent on their fees. While it had the legal right to do so, it did not notify the residents first or explain the process that would be followed. As a result of the consumer agency's intervention, the facility has changed its admission procedures to include both verbal and written notice of the practice.



*If you are asked to sign a contract for a nursing home or rehab facility on behalf of yourself or someone else, take the time to read it carefully. Don't sign or initial anything that you don't understand or agree to. Residents of nursing homes that are certified by Medicare or Medicaid have certain rights under federal law, including the right to be informed about services and fees, and the right to manage their own money, see <https://www.medicare.gov/what-medicare-covers/part-a/rights-in-nursing-home.html>. There may also be specific rights under state law.*

### **Heart-stopping Bill for Hospital Services**

The **South Carolina Department of Consumer Services** also found complaints related to health services to be on the rise last year, most of which concerned billing and collection. One consumer complained about an \$180,000 hospital bill for surgery that his insurance company said should have cost \$10,000. Included was a \$10,800 charge for coronary care, though the consumer did not have a heart condition. The consumer tried to negotiate the bill on his own and had paid \$23,000 by the time he contacted the consumer agency. The hospital agreed to adjust the balance to zero.

*Under your insurance plan, you may not be responsible for charges that exceed the amount that the insurance company allows for the health care services that were provided. If you have a question about your coverage, ask your insurer. The company may be able to resolve any errors or other problems directly with the health care provider.*

### **Healthy Disagreement**

In 2013, a Virginia consumer inquired about joining a local gym and was informed that as employee of the Social Security Administration, the monthly fee would be \$39.99. But when the consumer signed up, the fee was \$59.99 per month. The explanation given was that the \$39.99 only applied if one entered into a two-year contract, which the consumer declined to do. In 2015, the consumer brought a co-worker to the gym, who was given the \$39.99 rate without having to sign a two-year contract. The consumer felt that the gym should refund the difference paid over the last two+ years, but the gym argued that it was an innocent mistake and offered only to charge the consumer \$39.99 from that point on. After mediation by the **Fairfax County, Virginia Department of Cable and Consumer Services**, the parties agreed that the consumer's monthly fees would be totally waived for the next 11 months.

*When you join a health club or gym, get a copy of the agreement that spells out the terms and the cost. In the case of a billing dispute, try to resolve it with the manager of the facility. If you don't succeed, contact your state or local consumer protection agency for assistance.*

### **Seeing Eye to Eye**

The **Cambridge, Massachusetts Consumers' Council** encountered a new problem last year – optometrists refusing to give patients the results of their eye exams. In one case, the optometrist was willing to provide the patient with the prescription but not the pupillary distance measurement that was also needed. Another optometrist flatly refused to give the patient anything. The consumer agency was able to resolve both complaints by reminding the optometrists that their patients are legally entitled to request the results of their eye tests and have the prescriptions filled anywhere they choose.

*Under Federal Trade Commission rules, you are entitled to get your prescription for eye glasses or contact lenses from the eye doctor who examined you. The doctor can't force you to buy the glasses or lenses there, charge you extra for the prescription, or ask you to sign away your rights. For more details go to <https://www.consumer.ftc.gov/articles/0116-prescription-glasses-and-contact-lenses>.*

## Home Improvement/Construction

### **Long Solar Lease**

The worst complaint that the **Maryland Attorney General's Office** received in 2016 was from an 84 year-old man who was induced to sign a contract for solar panels with a 20 year lease to pay for them. Assuming that he does not outlive the lease, his heirs will be obliged to fulfill the contract, and if they choose to sell the house, the purchasers will have to agree to assume the lease, which could make the property much harder to sell.

*There are many ways to pay for a solar system – buy it outright, get a loan, or lease it. Leasing may seem attractive because you pay little or nothing upfront, but according to Consumer Reports there can be serious disadvantages, including frightening off potential buyers if you decide to sell your home while the lease is still in effect. Read the article at <http://www.consumerreports.org/energy-saving/real-cost-of-leasing-vs-buying-solar-panels/>.*

### **Shoddy Solar Installation**

Complaints concerning solar manufacturers were new to the **Montgomery County, Maryland Office of Consumer Protection** last year. The complaints primarily focused on the contractors that the manufacturers sent to perform the installations. In some cases the contractors were unlicensed, and there were also complaints about damage to roofs caused by improper installations. Resolving these problems is difficult given the underlying long-term contracts and financing agreements that essentially lock consumers into the transactions. The consumer agency worked closely with the Maryland Home Improvement Commission to address these issues. In one case, a contractor's license was suspended after 14 complaints were filed. The consumer agency was able to resolve some of the complaints by having the contracts rescinded and the roofs repaired.

*One way that homeowners can finance the purchase and installation of solar systems is through PACE (Property Assessed Clean Energy) loans. These are authorized by local governments under state laws to encourage energy efficiency improvements. In areas where PACE loans are available, the solar sales companies solicit homeowners to enroll and the loan payments are collected through their property tax bills. If there is a problem – the tax payments are unaffordable, the sales company made misleading claims about energy savings, the installation was faulty – the homeowner can't simply stop paying, because there is a tax lien on the property. If you are considering any type of loan that results in a lien, get legal advice to make sure you understand the terms and that it's suitable for you. Also check whether you are eligible for free or low-cost energy efficiency programs that might be better alternatives.*

### **Boyfriend Trouble**

When the senior partners in a Florida law firm were looking for a contractor to add a room to their home, their junior partner had the solution: hire her boyfriend. They did, and gave him \$64,000 toward the total price of \$131,000. Unfortunately, he never obtained the necessary permits or did any work, and when confronted, he took off with the money. Needless to say, he was not a licensed contractor. The **Orange County, Florida Consumer Fraud Unit** investigated and filed a case with the State Attorney. A warrant was issued for a Grant Theft 2<sup>nd</sup> Degree Felony and the man was arrested in Tennessee, from which he will be extradited to face the charges.

*Before you hire a contractor, get a few estimates and references. Ask your state or local consumer protection agency if there are licensing or registration requirements, and confirm that the contractor that you're considering has complied with them.*

### ***Throwing Good Money after Bad***

In another Florida case, a 60 year-old victim contracted with an individual, not realizing that he was unlicensed as a contractor, to remodel two bathrooms, install an irrigation system and exterior lighting, do landscaping and build a fence. The consumer paid the total cost of \$13,700 upfront. What was supposed to take a few weeks stretched into months and still the work was not completed. To make matters worse, some of the work that was done was of very poor quality. The homeowner ended up having to pay someone else to fix the problems and finish the job. **Pinellas County, Florida Consumer Protection** investigated and recommended multiple charges to the State Attorney. Ultimately, the individual was prosecuted, found guilty, and ordered to pay restitution, which included some of the additional costs that the consumer incurred.

*Never pay the full amount for home improvement work upfront. You will have no leverage if the contractor doesn't complete the job or the work is shoddy. Some states limit the percentage of the total price that the contractor can initially take. Check with your state or local consumer protection agency.*

### ***New Home Nightmares***

Over a period of several years, an unlicensed new home builder in Maryland has collected money from numerous consumers but failed to deliver. He tried to cover his tracks by creating several limited liability companies and partnering with other contractors, some also unlicensed. In Ponzi-like fashion, he used new deposits he received to make refunds to people who had previously paid – sometimes for the same lot. One consumer made deposits totaling over \$250,000 while another has been waiting more than 3 years for the unlicensed builder to break ground. The **Montgomery County, Maryland Office of Consumer Protection** has obtained refunds for some victims and is currently investigating complaints from three others.

*A new home is a major investment. Consult with an attorney about whether a performance bond or other protections can be built into the sales agreement.*

### ***Holding Contractor's Equipment Hostage***

Home improvement complaints to the **Union County, New Jersey Office of Weights and Measures/Consumer Protection** increased last year. One consumer, frustrated that the contractor had caused damage to the property and stopped showing up to do the work, locked his equipment in the garage in the hope that he would have to come back to retrieve them. The consumer agency arranged a meeting of the parties and the contractor agreed to refund some of the consumer's money in exchange for his equipment. He has only made partial payment, however, and another meeting is scheduled at the state consumer office to try to reach a final resolution.

### ***Bathroom Wait Too Long***

A New York consumer paid a contractor \$4,000 in 2012 to bring a basement bathroom up to code. The contractor came once, in 2013, and did not finish the work. When the consumer complained, the contractor threatened to never come again if the consumer reported the problem. So the consumer waited, and waited, until he finally asked the **New York City Department of Consumer Affairs** for help last year. The contractor agreed to complete the job *and* refund \$2,500 to the consumer.

*Even legitimate home improvement contractors can run into financial or personal problems that prevent them from completing the job. Protect yourself by insisting on a contract that sets a payment schedule that is proportionate to the work that is done and the materials that are delivered.*

### ***Home Improvement Horror Story***

The worst complaint to the **Massachusetts Office of Consumer Affairs and Business Regulation** in 2016 was from an elderly couple who hired a contractor to make renovations to their home. He took \$30,000 upfront, which was more than half of the contract price – state law only allows one-third – started the work, and failed to finish it, leaving the home with no roof and exposed to the elements. His registration was revoked for five years and he was fined more than \$5,000.

*If a contractor has left you without a roof over your head or holes in the walls where there should be windows, hire a reputable company immediately to remedy the problem and prevent damage to your home. You may be eligible for money from a home improvement guaranty fund if there is one in your state and the contractor was duly registered or licensed – a good reason to ask your state or local consumer protection agency what you need to know before you sign on the dotted line.*

### **Home Solicitations**

#### ***Misleading Mailings***

The fastest-growing complaint last year to the **Wisconsin Department of Agriculture, Trade and Consumer Protection** was about mailings for extended auto warranty service contracts. These solicitations said that consumers needed to take action urgently because the warranties on their cars were about to expire, but provided no prices or other details about the extended warranties. Consumers who called in response to the mailings were pressured into buying the warranties immediately.

*Beware of calls or letters from companies that imply that they already have a relationship with you when you've actually never done business with them before and encourage you to buy an extended warranty. These are misleading sales tactics for what are typically services of little value compared to the cost.*

#### ***Sneaky Solar Sales Calls***

Another aspect of the boom in solar sales is the use of misleading telemarketing calls by some companies. The **Utah Division of Consumer Protection** issued a press release last year warning consumers to beware of callers identifying themselves as being from the “Utah Public Utilities Commission,” which sounds like the state agency that regulates utilities, the Utah Public Service Commission. Consumers were told that because of a government deadline they had to act right away to get special pricing on solar panels. Some of these types of calls may be outright fraudulent – scammers just trying to get people to send them money. Others may be attempts to lure people into inviting the companies to their homes, where the high-pressure sales tactics are likely to continue.

*If someone claiming to be from your utility company calls to try to sell you something, it may be a sneaky sales pitch. Don't say “yes” or invite them to come to your home. Tell them to send you the information and check with your utility company directly to ask if there is any connection. Chances are, there isn't.*

#### ***Shady Solar Sales Practices***

Consumers are also solicited for solar systems via door-to-door sales. In such one case reported to the **Connecticut Department of Consumer Protection**, the salesperson assured an elderly couple that their location was ideally suited for solar and that their energy savings would exceed the cost of financing the project, essentially making it free. After they signed the contract, the salesperson returned with a new pitch: if the couple purchased more, better quality solar panels, the company would make the first

year's payments. The couple signed an amended contract. On the paperwork that was sent to the sub-contractors and financing company, however, the money amounts were substantially more than what the couple had agreed to. The work was done and, ironically, their energy bills went up due to the inefficiency of the panels and their placement. The complaint is still pending. To help Connecticut residents understand what to expect and know the questions to ask about solar, the consumer agency created a buyer's guide, [www.ct.gov/dcp/lib/dcp/solarpanelbuyersguide.pdf](http://www.ct.gov/dcp/lib/dcp/solarpanelbuyersguide.pdf).

*Be very careful if someone appears at your door to try to sell you something. Don't agree to buy on the spot, especially if it involves a substantial amount of money or financing. Ask for the information to be left with you and do your homework. Check the company's reputation with the Better Business Bureau (find the nearest BBB in the phone book or go to <https://www.bbb.org/>). You should also ask your state or local consumer protection agency if the salespeople need to be licensed or registered to go door-to-door and if there is anything else that you should know before you make a purchase decision.*

### **Keep Your Cool**

An elderly Ohio couple signed a contract in their home for a new furnace and cooling system. The salesperson talked them into signing a waiver of their three-day cancellation right, which is only appropriate for emergency situations – there was none in this case. Furthermore, the couple told the salesperson that they were still getting estimates from other companies and had not yet decided which to use. Within the three days, they asked to cancel and the company refused, threatening to sue them for the total cost of the job. The **Summit County, Ohio Office of Consumer Affairs** attempted to mediate, to no avail. However, the company has taken no action to try to enforce the contract.

*The Federal Trade Commission's "Cooling Off Rule" gives you the right to cancel a purchase for \$25 or more that you make at your home or at other locations that are not the seller's regular place of business. See <https://www.consumer.ftc.gov/articles/0176-buyers-remorse-when-ftcs-cooling-rule-may-help>.*

### **Plumbing Pressure**

In a complaint to the **Montgomery County Office of Consumer Protection** last year, an older woman explained that she asked a plumbing company for an estimate to fix a leaky pipe in a wall, but once onsite, the plumber also tried to sell her a new water heater and garbage disposal. Because he said the water heater should be replaced that day, she felt pressured and agreed. She was not given an estimate and did not sign anything waiving her cancellation rights. The consumer agency got her a full refund of \$3,383. To better protect consumers, the Maryland legislature has revised the state door-to-door sales law to extend the time within which they can cancel contracts for work on their homes to five days; seven if they are seniors.

*In addition to federal law, you may have cancellation rights for door-to-door sales under state law. You may also have grounds to argue that a contract should be terminated if you were misled, but that can be hard to prove. If you're feeling pressured, the best thing to do is to say that you need to think it over, then get advice from your state or local consumer protection agency.*

### **Household Goods**

#### ***Useless Used Appliances***

The worst complaint at the **Cuyahoga County, Ohio Department of Consumer Affairs** last year was from a woman who bought a stove, refrigerator, and dryer from a used appliance store. The refrigerator wouldn't get cold, the dryer wouldn't get hot, and the stove didn't work. When agency investigators

visited the store, the owner wasn't there, but they noticed that there were no signs disclosing the return policies, as required by state law. The owner later put a sign up and sent the agency a photo of it, claiming that it had been there all along. He also told investigators that all of the appliances he sold to the woman were tested and working, but eventually acknowledged that at least one of them had never been tested. Moreover, he conjectured that one of the other appliances had probably been damaged when his delivery crew dropped it down the stairs. The agency worked hard to resolve the complaint but the store owner kept on changing the terms and amount of the settlement. Finally, the woman went to small claims court, which awarded her a full refund.

*When you buy new appliances, you can assume that they work and come with a manufacturer's warranty. But when you're considering buying used appliances it may be hard to tell how well they work, or if they work at all. Be sure you know the return policy; many states require stores to post that information where consumers can clearly see it before they make their purchases.*

### **Don't Take the Problem Lying Down**

An elderly couple purchased a new set of mattresses with hydraulic box springs for \$3,000 from a large furniture store. When it was delivered, they discovered that the lift capabilities did not work properly and wanted to return it, but the business was unresponsive until they complained to the **South Carolina Department of Consumer Services**. The business then offered them a replacement or a full refund.

*In addition to the manufacturer's warranty you may have "implied warranty" rights to expect that the item will function as you would reasonably think it would. If an item is defective, don't take it lying down – insist that it be repaired or replaced, and contact your state or local consumer protection agency if you don't get satisfaction.*

### **Unacceptable Delivery Delays**

A household furnishing store was fined twice last year by the **Utah Division of Consumer Protection** for taking money for orders that were never delivered. In one case, the consumer bought several pieces of furniture and some drapes. When they did not arrive, the consumer asked for a refund, which the business failed to make. It was fined \$10,000. In the second incident, the consumer purchased blinds, and when they were not delivered, repeatedly demanded a refund, which the business finally made – 831 days after the initial request. The fine in that case was \$7,500. The agency and the business recently entered into a settlement to resolve the matter.

*When you're ordering furnishings for your home, get the estimated delivery date in writing and pay with a credit card. That gives you the right to dispute the charges if the merchandise never arrives. While the law requires you to notify your credit card issuer of the problem within 60 days of when the charge first appeared on your bill, the issuer may remove the charges if the delivery time was supposed to be longer. If the date for delivery has come and gone and you still haven't received the items, contact the store and your credit card issuer immediately.*

### **Consumers Wrestle with Warranty Company**

The worst complaints to **Hillsborough County, Florida Consumer Protection Services** in 2016 were against a third-party appliance warranty company. When consumers tried to make claims for repairs or replacements under the warranties, they were denied, based on reports from sub-contractors that the company sent out to examine the problems. In some instances, the agency's investigators found that the sub-contractors had fabricated their reports. Most of the complaints were resolved by the company either replacing the appliances or issuing a credit towards a new appliance.

*It's aggravating when appliances break down and even more aggravating if you are being bounced between the manufacturer, the retailer, and the company that handles the warranty claims. Make notes*

*of who you spoke with and when, and contact your state or local consumer protection agency for help.*

### ***Don't Take the Bait***

An electronics store that targets Spanish-speaking immigrants was the source of more than 22 complaints filed with the **New York City Department of Consumer Affairs** last year. The agency also suspects that many more consumers were victims of its sales practices. In a typical case, the store advertised a phone for \$50 but when the consumer went in to buy it, her bank account was debited for \$558 without her authorization. Even worse, the phone was defective. The business is not responsive to attempts to mediate complaints and is now under investigation.

*When you see something advertised for a very cheap price but it's not available and the salesperson tries to convince you to buy something much more expensive, that's called "bait and switch." Don't take the bait – take your business elsewhere. If you do buy something and the charge to your credit card or bank account is more than you agreed to, contact your credit card issuer or bank immediately to dispute it.*

### ***Trust but Verify***

A Massachusetts man entered into what he thought he was a payment plan to buy furniture from a store. The transaction was made on a pin pad and he did not receive a copy of the document he signed. When a problem developed with the quality of the furniture, he contacted the store. It was then that he discovered that he was actually leasing the furniture from a third party, and what he thought was a payment plan was a rent-to-own contract. It was unclear who could request repairs under the warranty. The man stopped making payments because he felt that he had been deceived. The **Metro West – Consumer Assistance Office** was unable to resolve the matter because store refused to take any responsibility, saying that the owner of the furniture – the rental company – had to request repairs. The rental company insisted on enforcing the agreement and since the man was behind in his payments, they would not help.

*Many contracts are legally binding the moment you sign them. Read the document first and if you don't understand it, don't commit. Ask for a copy of the agreement to bring home and have someone you trust review it. After you sign a contract, make sure you receive a written copy and keep it in a safe place in case there are any problems or questions later. Get legal advice before stopping payments on a contract.*

### ***Baking Blues***

The **Cambridge Massachusetts Consumers' Council** received a complaint from a woman about a stove she bought at a big box store. Shortly after installation, it began making loud noises when the oven was turned on. The consumer agency helped her to get service under the warranty, but after three repair attempts the problem was not fixed and the gas company red-tagged the stove as too dangerous to use. Frustrated, the woman contacted the consumer agency again; negotiations with the store continue.

*While there is no appliance "lemon law," you can make the argument that enough is enough when repeated repairs to an appliance don't resolve the problem. If you can't get satisfaction from the store or the manufacturer, contact your state or local consumer protection agency for assistance.*

## **Identity Theft**

### ***Data Dump***

After noticing an increase of businesses collecting personal information about consumers and disposing of it carelessly, protection of consumers' data has become a top priority for the **Kansas Attorney**

**General's Office.** Last year the state legislature enacted a requirement for those who hold personal information to have procedures in place to prevent any unauthorized disclosure and to properly dispose of the data to keep it out of the hands of identity thieves. Using the new statute, the consumer agency sued a Kansas company that left a number of documents containing personal information in a public trash receptacle. A temporary restraining order was granted pending the trial.

*While the federal government has not set general requirements for businesses to secure the personal information that they hold about their customers, states are starting to do so. If you notice any data security issues with a company, ask your state or local consumer agency to whom you should report it.*

### **Phony Free Phones**

The **San Francisco District Attorney's Office Consumer Protection Unit** encountered an interesting new ploy to steal people's identities last year. Scammers pretending to be from social service agencies set up tables on the street and offered free cell phones to low-income and homeless individuals. They collected their personal information, such as names, Social Security numbers and dates of birth, supposedly to activate the phone service. There was no service, however, and the fraudsters got everything they needed to set up false identities.

*Consumers should never provide personal information such as their Social Security numbers or financial account numbers to anyone who asks for it unexpectedly, whether it's by phone, online, or on the street.*

### **Internet Sales**

#### ***Sick Puppy***

An Ohio family purchased a new puppy online. It was listed as healthy and happy. But when the puppy arrived, it soon became clear that it was very sick. A veterinarian confirmed that it had sarcoptic mites, a hernia, a giardia infection, a coccidian infection, and other problems, and informed the family that it had been raised in poor conditions. All attempts by the family, and the **Ohio Attorney General's Office**, to locate and contact the seller were unsuccessful.

*You've heard the saying, "On the internet, no one knows you're a dog." It's also hard to know how healthy a dog is when you see it for sale online. Your best bet is to buy from reputable breeders. You can find breeder directories at the websites for the American Kennel Club, [www.akc.org](http://www.akc.org), and the American Cat Fanciers Association, [www.acfakat.com/](http://www.acfakat.com/).*

#### ***Big Billing Error***

A South Carolina consumer purchased a computer online with financing included but was erroneously billed for multiple computers. When her repeated attempts to resolve the problem by contacting the customer care and financing departments failed, she turned to the **South Carolina Department of Consumer Services** for help. The company quickly gave her a refund of \$708.85 for the overpayments she had made.

*Want to buy a computer online but don't have the cash or a credit card to pay for it? You may be able to get financing as part of the deal, but make sure you know the terms and the total cost, and print out the agreement for your records. If there is a billing error, contact the seller and finance company, and if you can't resolve it, ask your state or local consumer protection agency for help.*



### ***Dead on Arrival***

The **Tennessee Department of Commerce and Insurance Division of Consumer Affairs** received complaints from all over the country last year about a plant nursery in the state that sold its merchandise primarily via the internet. Consumers alleged that the plants were not viable – one complainant sent the agency what he described as a box of dead twigs that he got from the company. Some consumers were promised refunds, others agreed to replacements, but only about half of them got anything before the company filed for bankruptcy. Now the state attorney general’s office has stepped in to try to recover the money for consumers.

*Paying for online purchases with a credit card provides you with extra protection because you can dispute the charges if the merchandise wasn’t delivered or isn’t what you were promised.*

### ***Drone Deal Goes Sour***

One of the biggest achievements for the **San Francisco District Attorney’s Office Consumer Protection Unit** was the lawsuit that the office filed against Lily Robotics, Inc. to resolve allegations that the drone company falsely advertised its “flying camera” and failed to ship a single unit to people who ordered it. During 2015, the company began accepting “preorders” for \$499, discounted from the suggested retail price of \$999. As part of the preorder campaign it released a promotional video that showed how the camera drone could be thrown in the air and would begin to record high-quality images, following a tracking device carried by the user. According to court documents, the video was actually made using a much more expensive professional camera drone that requires two people to operate. The company received 60,000 preorders, which were to be shipped in 2016. But they weren’t, nor were customers offered a choice of waiting longer or getting their money back, as the law requires. The court ordered that the \$34 million which the company collected from orders could only be used to provide refunds.

*When you order something online, through the phone, or by mail, you have the right to expect that it will be delivered by the time that was promised (or within 30 days if no delivery date was specified). If the seller can’t deliver on time, you must be offered the choice of getting a refund or waiting longer.*

## **Investments**

### ***Risky Investment***

Complaints about crowdfunding were new to the **Kansas Attorney General’s Office** last year. In one instance, a young man started a campaign to raise money in order to teach people how to develop apps for smart phones. He collected \$54,000, far surpassing his original goal of a couple thousand dollars, but never delivered on his promises. Many of the crowdfunding sites describe contributions as gifts, and though they encourage the project creators to follow through, they don’t obligate them to do so, and they sometimes state that contributors are not entitled to anything just because they have given money. In addition, the agreements often state that those who contribute are doing so voluntarily. These practices present challenges to agencies’ abilities to intervene under consumer protection statutes.

*As with any investment, there is no guarantee that providing money to a start-up business through crowdfunding will pay off. The North American Security Administrators Association provides tips for investors on crowdfunding at <https://www.consumer.ftc.gov/articles/0020-shopping-online>.*

## Landlord/Tenant

### ***Stepmother Finds Herself on the Spot***

Landlord/tenant issues continue to be the top complaint at **Hillsborough County, Florida Consumer Protection Services**. In one complaint last year, a woman signed a guarantee agreement on a two-month lease to assist her stepdaughter in renting a room at a student housing apartment complex. Before the lease expired, the woman verbally informed the property manager that she would not be renewing the lease guarantee. The property management subsequently changed and, unbeknownst to the woman, the lease was renewed for a year, with her as the guarantor. She asked the consumer agency for help, but in the meantime, her stepdaughter defaulted on the lease, was evicted, and a judgement was rendered for unpaid rent. The delinquency was sent to collections and the woman was notified that she owed more than \$8,000. Fortunately, the consumer agency was able to get the property management to agree that the woman was not liable because she had not authorized the lease renewal, and her name was removed from the collection account.

*When you co-sign or guaranty a lease, be aware that you are taking responsibility for all of the financial and other obligations that it sets.*

### ***Reluctant Landlord Makes Repairs***

A young woman with two small children was living in an apartment that needed repairs, the most serious of which was damage to the floors caused by a water leak. Concerned about mold, she tried for months to get the landlord to fix the problems, to no avail. Once the **Maryland Attorney General's Office** got involved, the landlord agreed to refund \$7,230 for six month's rent and start the repair work.

### ***Tenant Finally Triumphs***

Another tenant complaint, this one from a Louisiana single mother of five, involved even worse conditions, including a major roof leak and raw sewage backing up into the bathtub. The woman contacted the property manager, who sent a maintenance crew twice, but the problems persisted. The day after the **Louisiana Attorney General's Office** contacted the landlord, a plumber and roofer appeared to make the needed repairs and the woman was given two months free rent.

*Many states require landlords to ensure that their rental property meets certain safety and health standards. In addition, if there is a lease it may state that the landlord will keep the property in good condition. If you call your landlord about a problem follow up with a letter and keep a copy so you'll have a record of when you provided notice. The time limits for landlords to make repairs may depend on the severity of the problems. Your state or local consumer protection agency can give you information about your rights and how to enforce them if the landlord doesn't cooperate.*

### ***Flood Forces Tenants Out***

A couple who were expecting a baby lived in an apartment in a section of Maryland that was devastated by a flood last year. Residents were evacuated and due to damage to the roads, water and sewage systems, it wasn't clear when they could return. When the couple were able to inspect their apartment, they found that the retail unit directly under it was still contaminated with debris from the flood, posing a health risk to the expectant mother. Nonetheless, the landlord demanded that the couple continue to pay the rent. The **Howard County, Maryland Office of Consumer Protection** convinced the landlord to terminate the lease with no penalty and return the tenants' security deposit.

*You may be able to break the lease if the house or apartment you're renting becomes uninhabitable. Document the problems by taking pictures and making a complaint to the local health inspector.*

## Retail Sales

### ***Small Change***

When the staff at the **Bucks County, Pennsylvania Consumer Protection/Weights and Measures Office** received a written complaint about a ten cent overcharge at a local McDonald's, they were intrigued. The consumer had ordered a "Value Meal" and declined the option to upsize the drink for an additional ten cents, but was charged for it anyway. After bringing the problem to the attention of an employee, the consumer received a refund, but in subsequent visits to the restaurant the overcharge happened again. The manager told the consumer agency that the person who complained was mistaken, prompting a lunchtime visit by one of the investigators, who ordered the same meal and declined to upsize the drink. Sure enough, the ten cents was added to the bill. The manager explained that "corporate" sets the computer program that is used and had been alerted to the problem, which would be corrected. But the following week, at another McDonald's in the area, an investigator was overcharged in the same scenario. Since the amount is so small, many consumers may not even notice it, let alone complain. It could add up to big bucks, however. The investigation is ongoing.

### ***Consumers Get Discounts Due***

An elderly woman complained to the **New York City Department of Consumer Affairs** that a local business that advertises a five percent discount for seniors if they shop before 11 a.m. was not keeping its promises. One problem was that the discount does not apply to sale items, though that was not posted. The woman also contended that she was sometimes given a discount of less than five percent, or no discount at all, depending on the cashier. The consumer agency contacted the business, which agreed to make the information about the senior discount clearer and apply the discount consistently.

*If you are overcharged in a restaurant or a store, speak up! It's not just the little bit extra that you paid – it could be an indication of a much larger problem.*

### ***Lesson Learned***

A fifteen-year-old Massachusetts boy decided to spend his summer earnings on a hover board, so he went to a mall store. The hover board that he wanted was too expensive, but the salesperson, discovering that he had cash in hand, pressured him into buying a floor model. When he got home he found that it didn't work. His mother called the store and was told that it was a final sale. Undeterred, she went to the store and saw no signs disclosing its return policies. When she still got no satisfaction, she complained to the **Cambridge Consumers' Council**, which explained to the manager that the return policies must be posted, but in any event the store could not refuse to take a defective product back and, because the buyer was a minor, he could void the purchase anyway. The boy got a full refund.

*Teach your children basic shopping 101: 1) Don't let a salesperson pressure you into buying something; 2) If you don't see what you really want, shop elsewhere or wait until the store has it; 3) Look for the return policy so you'll know before you buy whether you can change your mind later and if you can get your money back or a credit only; 4) Save the receipt for any major purchase in case there is a problem.*

### ***Consumer Complains Fine Unfair***

The **Maryland Attorney General's Office** encountered a new type of consumer problem last year when a woman complained that she had been accused of shoplifting in a store and rather than being given the opportunity to pay for the item or defend herself in court, she was billed for a civil fine, well over the amount involved. Since state law permits retailers to take this action, the agency was unable to help her.

*In some states retailers are able to issue fines for infractions such as shoplifting and writing bad checks.*

*Your state or local consumer protection agency can tell you how to find out if such a bill is legal and whether you can contest it.*

### ***Tire Claims Not True***

The worst complaint that the **Summit County, Ohio Office of Consumer Affairs** received last year was against Empire Wholesale Tires. The company advertised high-end tires with a high mileage warranty at a discounted sale price, but when a consumer attempted to purchase them, the salesperson said they were not readily available and convinced the person to buy another brand of tires that was supposedly of similar high quality. Later the consumer did some research and found that they were low-end tires and had no warranty. The company initially refused to take them back, but the consumer agency was able to mediate an agreement to return them in exchange for the tires that had been advertised.

*When you're buying tires or other expensive items, don't let a smooth-talking salesperson persuade you that another brand is just as good as the one that was advertised. Before you take the plunge, look at websites and magazines that provide impartial product reviews. Compare prices and warranties to ensure that you get the most for the amount of money that you're prepared to spend.*

### ***Pet Store Problems***

The **Union County, New Jersey Office of Weights and Measures/Consumer Affairs** dealt with a new type of problem in 2016 when consumers complained that puppies that they had paid to "adopt" from a local pet store had serious health issues. One puppy died. The store owner contended that the puppies were adopted from the shelter portion of the business, which was set up as a nonprofit organization and therefore did not fall under the consumer fraud regulations. Nonetheless, the consumer agency was able to get refunds for the complainants.

*If you want to adopt a cat or dog, look for animal shelters in your area that follow the Guidelines for Animal Care in Shelters that were issued by the Association of Shelter Veterinarians. See <http://www.sheltervet.org/assets/docs/shelter-standards-oct2011-wforward.pdf>.*

### ***Doors Closed***

When a Florida company that sold windows and doors went out of business last year, it left many customers who had paid deposits without the items they had ordered. It attempted to work with another company to fulfill the orders and arrange for the installations, but some consumers were unhappy with this solution because the final cost was going to be more than they had agreed to.

**Pinellas County Consumer Protection** received more than 20 complaints and was able to work with the defunct company to resolve them, saving or recovering a total of \$16,000 for the consumers.

*Even reputable companies can close suddenly, taking customers' deposits with them. If you paid with a credit card, you may be able to dispute the charges with your card issuer. Your state or local consumer protection agency may be able to work with the company to get orders filled and resolve other issues.*

### ***Happy Bride***

A Maryland bride received some duplicate gifts from her wedding registry and tried to return them to the store. On the store's registry website it said that it would provide a "refund or exchange for the merchandise within 90 days of the event or within 90 days of purchase, whichever date is later." The store manager, however, refused to provide cash refunds for any of the items, insisting that the consumer was only entitled to a merchandise credit or exchange. When the **Montgomery County, Maryland Office of Consumer Protection** got the complaint, it contacted the attorney for the store, who agreed to arrange for the woman to receive a full cash refund of \$5,954 and to review the language of the return policy to make it clearer.

*There is no automatic right to return gifts for a refund, so it's important for the giver and the receiver to know what the store's return policy is. If the policy isn't clear or the store refuses to honor it, ask your state or local consumer protection agency for help.*

## **Schools**

### ***School's Out Forever***

After 44 years of operation, a small college in Vermont closed abruptly in 2016, generating more than 40 complaints to the **Vermont Attorney General's Office** from students who were unable to get tuition reimbursements or obtain the transcripts they needed to transfer to other schools. Students also alleged that the college misrepresented how easily they could transfer from the courses they were taking to programs elsewhere, and there were other issues such as the cost of relocating. It was initially hard to find anyone to respond to the complaints, but with the help of the Department of Education the consumer agency was able to meet with members of the college's board of trustees and arrange access to the transcripts for students and the institutions to which they were transferring.

*When a school closes, the U.S. Department Education may be able assist students in getting their transcripts, transferring to other schools, and dealing with outstanding loans. Go to <https://studentaid.ed.gov/sa/about/announcements/closed-school>. State education departments and other agencies may also be able to help.*

### ***Refund Made After Mix-up Resolved***

The **Fairfax County, Virginia Department of Cable and Consumer Services** dealt with a new kind of consumer problem last year when a man complained that a religious school located in the county was refusing to give him a refund. He had paid a full year's tuition in advance for his son, but then the boy's visa to come to the US from abroad was denied. When the consumer agency contacted the school, it explained that it had never done business with the person whose name was on the complaint and was concerned about possible fraud. Digging deeper, the consumer agency discovered a perfectly innocent explanation for the discrepancy – the complaint was made on the man's behalf by a family member with a different name. The problem was sorted out and the school issued him a full refund of \$45,000.

*Just as with other types of businesses, it's important to know a private school's cancelation and refund policies and procedures before making any payment.*

## **Services**

### ***Phantom Photos***

Last year the **Montgomery County, Maryland Office of Consumer Protection** received 35 complaints against Blue Sky Films, a videography service for weddings, bar mitzvahs and other celebrations. There had been hints of trouble in 2015 when nine complaints were filed. In each case, the business took thousands of dollars from consumers upfront, shot the videos, but then failed to edit, produce, or ship the final products. The **Maryland Attorney General's Office** had also received many complaints. The two agencies worked together to bring charges against the company and were able to obtain the raw video footage for most of the consumers.

*When photographers, bridal shops, caterers or other businesses that provide services for weddings and other celebrations close unexpectedly, the impact on customers is emotional as well as monetary. To protect yourself financially, pay with a credit card so that you can dispute the charges if the services are never provided. Your state or local consumer protection agency may be able to help you retrieve photographs, bridal dresses or other things you've paid for from the business owners.*

### **Model Child**

When a young woman and her daughter were approached on the street in New York City by someone who wanted to enroll the child in modeling classes, they were excited. The mother signed a contract and gave the salesperson a large deposit. After she returned home, she did some research and discovered that there were many complaints against the company for taking money from families and never making good on its promises of modeling jobs. According to the contract, she had three days to cancel, but when she attempted to do so the company refused. The **New York State Department of State Division of Consumer Protection** was able to cancel the costly contract and get her a full refund.

*Yes, some famous actors and models have been "discovered" on the street, but if you are approached by someone claiming to be from a talent or modeling agency, be very wary. Flattery and promises of big money are alluring but they may just be designed to get you to pay a large fee upfront, with no guarantee of success. See <https://www.consumer.ftc.gov/articles/0071-look-out-modeling-scams>.*

### **Tax Trauma**

The **New York City Department of Consumer Affairs** received 11 complaints last year against a tax preparer who allegedly grossly overcharged his customers. In one case, a young man complained that he was not informed in advance what the service was going to cost, so he was surprised when the bill was \$600, effectively reducing his eagerly-anticipated tax refund from \$961 to \$361. When he questioned the charge, the tax preparer told him that if he wanted to cancel, he would have to pay the IRS a \$150 penalty. As a result of mediation by the consumer agency, the tax preparer refunded \$200 of his fee. The tax preparer is now under investigation.

*When you are considering using a tax preparation service, ask how the fees are calculated. Don't go with services that base their fees on a percentage of your refund or that claim that they can obtain larger refunds than others can. If you're entitled to a refund, it should go directly to you, not into the tax preparer's bank account. Unless you have a complicated tax situation, the preparer should be able to give you a good idea of how much the service will cost before you agree to it.*

### **Storage Saga**

A Virginia woman contracted for a storage unit for her belongings. When she went to retrieve them, she found that a pipe had burst and everything was damaged by water and mold. She demanded \$12,000 in compensation. The business responded that she had the option to purchase insurance and declined, so it was her problem. She attempted to make an insurance claim anyway but the business had removed the items before she could document the loss. After the **Fairfax County, Virginia Department of Cable and Consumer Services** intervened, the parties agreed to a \$2,000 settlement.

*Do you need to buy insurance when you place items in self-storage unit? If you already have renter or homeowner's insurance, it may cover loss or damage to your stored belongings, up to a certain amount. Check with your insurance company. If you have no coverage, whether it's worth it to buy insurance depends on the cost and the value of the items that you're storing. Other things to consider are what limitations or exclusions may apply under the policy and whether the payout for claims will be based on the current value of the items or the replacement value.*

### ***Let My Money Go!***

A small business owner asked the **Vermont Attorney General's Office** for help last year when she could not get the funds that she was due from the service that she used to process clients' credit card payments. Because the recent payments were relatively large, the processor was concerned that they might be fraudulent, and even though the customer who made the payments was willing to attest to the fact that they were valid, the processor was insisting on holding the funds for at least 90 days. When the consumer agency contacted the processor, the payments were immediately released.

*Businesses that are considering using payment processing services should get clear information in advance about exactly how they work, including how and when funds are transferred to their accounts.*

### ***Passport Puzzle***

A new type of problem reported to the **Florida Department of Agriculture and Consumer Services** was about a company that charged \$455 to renew a consumer's Cuban passport. It took the person's old passport and promised to deliver the new one by January last year, but has disappeared without a trace.

*No matter whether you are renewing a U.S. passport or one from another country, make a copy of it for your records before you give it to anyone to help you renew it, in case it is lost.*

### ***Immigration Service Swindler***

The worst complaints that the **Los Angeles County, California Department of Consumer and Business Affairs** received in 2016 were against immigration services that misled consumers about their ability to help them, and sometimes took their money without providing any services at all. Thirty consumers complained about one immigration consultant, Oswaldo Rafael Cabrera, but the agency's investigation revealed that there may have been as many 900 victims. Posing as an immigration lawyer and expert with a proven record of helping immigrants, Cabrera advertised in both mainstream and Spanish-language media and charged up to \$9,000 for his services. He misled his victims about the status of their cases, misinformed them about their eligibility for immigration relief, and completed immigration forms improperly while continuing to collect their money. Cabrera also ignored or lied to victims in an attempt to avoid giving refunds, while denying any wrongdoing. In some instances, his handling of immigration cases had irreparable consequences, leading to the deportation of victims' family members. The state attorney general's office charged Cabrera and his wife with felonies, and both have now pled guilty. He is serving a five year prison sentence. The county has now created an Office of Immigrant Affairs within the consumer agency which will coordinate and streamline access to county services and fraud prevention, investigation and prosecution efforts.

*The U.S. Citizenship and Immigration Services (USCIS) office within the Department of Homeland Security can answer questions about immigration and supply the required forms. Go to [www.uscis.gov](http://www.uscis.gov) or call 800-375-5283, TTY 800-877-8339, Video Relay Service 877-709-5798. Only licensed attorneys or nonprofit organizations that are authorized by USCIS can represent you or give you legal advice.*

### **Timeshares**

#### ***Take a Timeout***

Problems with timeshares were the fastest-growing complaint to the **New York Department of State Division of Consumer Protection** in 2016. One elderly man complained that he had been pressured by a Florida timeshare company into signing a contract without understanding that the total cost would be more than \$130,700, with an interest rate of 19.99 percent. Unable to afford the monthly payments on



his fixed income, he tried to cancel but was rebuffed. The consumer agency negotiated to have the amount he owed reduced by \$60,371.

*Timeshare companies often use lengthy sales presentations to wear people down and convince them to buy. Don't be pressured to sign anything, even if they say that today's price won't be good tomorrow. Take the information home and ask yourself: Can you afford it? How does the cost compare to what you normally spend on accommodations when you go on vacation? Do the dates and locations work for you? Be aware that you may not be able to switch them as easily as you were told. Check the company's reputation with the Better Business Bureau nearest to its headquarters (go to <https://www.bbb.org/bbb-locator/>). If you decide to buy, be sure that you understand the total cost, including any financing. Get all information and promises in writing. Once you sign, you may not be able to cancel.*

### **Money for Nothing**

Timeshare-related complaints continue to be a major concern of the **Georgia Department of Law's Consumer Protection Unit**. Last year several individuals in a neighboring state set up a fraudulent Georgia corporation and solicited people all over the country with promises that it would sell their unwanted timeshare weeks, for a fee upfront. Before the consumer agency was even aware of the company, it had taken in more than \$4 million. A criminal investigation is underway.

*Buyer's remorse is not uncommon after people have purchased timeshares and realize that it wasn't such a good deal or that they can't afford the payments. Many businesses have sprung up offering to sell unwanted timeshares. Avoid any timeshare re-sale company that asks for a fee upfront, regardless of whether your unit is sold or not, and don't believe claims that the company already has a buyer for it. See <https://www.consumer.ftc.gov/blog/timeshare-resale-fail>.*

### **Up in Smoke**

In the Gatlinburg/Pigeon Forge wildfires last December, hundreds of properties were destroyed, including some timeshare resorts. Consumers complained to the **Tennessee Department of Commerce and Insurance Division of Consumer Affairs** that timeshare companies were still demanding that they pay their annual and maintenance fees even though the properties were unusable. One couple that bought a timeshare on a vacation in July 2016 never even got a chance to use it before the resort was consumed by fire. They asked to cancel, but the company insisted that they could use other timeshare properties – if they upgraded for an additional fee. The consumer agency was able to get that complaint resolved and worked with timeshare companies to settle many of the other complaints with agreements to cancel the contracts, suspend the fees, or provide consumers with refunds for the fees they had paid.

*Your obligations under a timeshare agreement don't go up in smoke if the property does. In fact, you may find that your fees increase to help pay for repairs. This is something to consider if you are thinking of buying a timeshare in a location that is prone to hurricanes, tornadoes, wildfires or other natural disasters. Ask the timeshare operator what kind of insurance it has; if the policy covers replacement value it will be easier to make repairs or rebuild, which may make it be easier for you to get fees waived.*

### **Towing**

#### **Highway Robbery**

The fastest-growing complaint to the **Fairfax County, Virginia Department of Cable and Consumer Services** in 2016 was about towing. One tow operator in particular generated many complaints when it removed another towing company's signs from a bank parking lot, put up its own signs without



authorization, and began towing away vehicles. The consumer agency brought the matter to the attention of the local police department, which filed criminal charges against the tow operator. As a result, \$3,670 in restitution was returned to consumers.

### ***Parking Predicament***

Nearby, the **Montgomery County, Maryland Office of Consumer Protection** also dealt with a number of towing disputes last year. In one, a man visiting a friend at an assisted living community mistakenly parked his vehicle in the wrong place and it was towed, despite the fact that there was a clearly visible handicap placard in his car. County law requires that a police officer must observe and approve a tow when there is a handicap plate or placard, but none were called. The property manager also acknowledged that the visitor parking area was not clearly identified. With the intervention of the consumer agency, the signage was improved, and the man got a refund for the towing charge. However, the consumer agency was unable to help with one other aspect of his complaint, that the tow company damaged his car. The consumer was involved in an accident soon after in which the car was totaled.

*If you believe that you were towed unfairly or improperly, pay the fee to avoid running up storage charges, get a receipt, and contact your state or local consumer protection agency for advice.*

## **Travel**

### ***Not So Pet Safe***

A Massachusetts woman wanted to fly round trip from Boston to San Francisco with her dog. She reviewed all the different airline options and chose a special “pet safe” service for \$900 that featured temperature control and supervision. The trip out was fine, but when she retrieved the dog from baggage check on her return, it was shivering profusely and the water in its bowl and its blanket were frozen solid. Alarmed, she rushed the dog to the vet. When she later demanded her money back from the airline, it refused, citing the fact that she had signed for the delivery. With the help of the **Cambridge Consumers’ Council**, she received a refund of \$450 for the return trip. The dog has recovered.

*You can complain about airlines to the Department of Transportation. The Air Travel Consumer Reports that the agency publishes based on that information include a section on the loss, injury or death of animals in air transportation. See <https://www.transportation.gov/airconsumer/file-consumer-complaint>. To resolve your individual problem, however, you should complain to the airline directly. If you don’t get satisfaction, your state or local consumer protection agency may have other suggestions.*

### ***Just Say No***

The **District of Columbia Attorney General’s Office** received nine complaints last year about a company that sold vacation packages. The solicitations started with phone calls stating that the consumers had won trips or cruises but had to attend a short presentation. The presentations were actually three-hour ordeals during which consumers were subjected to high-pressure sales tactics. If they refused to buy and said they just wanted their free trips, they were taken into another room to fill out the paperwork for that, and there they were offered yet another deal. After finally agreeing to buy the vacation packages, the consumers later reconsidered and attempted to cancel. The company responded that the only thing they could do was try to sell their vacation packages to others. The consumer agency was able to get the contracts cancelled and refunds for all of the complainants.

*Consumers are often solicited for travel clubs and vacation packages with the promise of free trips and then subjected to aggressive sales tactics. Stand your ground and say NO if you don’t want to buy.*

## Utilities

### ***A Deal is a Deal***

Some of the worst complaints to the **South Carolina Department of Consumer Services** in 2016 were about cable and telephone providers. In one complaint, the consumer signed a two-year contract for cable on the basis of a promotional price, but was billed at a higher rate. Despite repeated promises by the customer service department that the bills would be adjusted, they continued to be erroneous, causing the consumer to pay \$1,631 over the course of several months as supposed to the \$274 that was rightfully owed. After the consumer agency contacted the company, it refunded the entire amount.

*If you are offered a promotional price for cable or other utility services, save the solicitation and note the date and the name of anyone to whom you spoke. Get a copy of any contract that you signed and check to see if it accurately reflects the agreement. If there are billing errors contact the company immediately, and ask you state or local consumer protection agency for assistance if you can't resolve the problem.*

### ***Bumpy Road***

The fastest-growing complaints last year at some consumer agencies in Florida, including **Hillsborough County Consumer Protection Services**, **Pinellas County Consumer Protection**, and the **Florida Department of Agriculture and Consumer Services**, were due in large part to the expansion of Frontier Communications, a company that provides cable, telephone and internet services. As Frontier acquired some of the services that had previously been provided by AT&T and Verizon, the transition for many customers was far from smooth, and there were many complaints about billing errors, changes in service terms, disconnection and reliability issues, and installation problems. Consumers who did not want to switch to Frontier had to pay early termination fees in some cases, but even then there were problems. For instance, one Hillsborough County resident complained about being billed \$220 for early termination instead of the \$60 that had been agreed to. The company has been responsive to the consumer agencies in resolving the problems.

*Companies that provide cable, telephone and/or internet services are increasingly merging, buying each other out, or morphing into new companies. Sometimes customers can be caught in the churn as billing platforms change, new service plans are created, and terms and conditions are revised. If you are faced with choices to make, ask questions to be sure that you understand your options. Keep records of any service or billing problems and contact your state or local consumer protection agency if you need help.*

### ***The New Switcheroo***

Some of the worst complaints reported to the **Cambridge, Massachusetts Consumers' Council** in 2016 were about electricity suppliers targeting elderly people with overly aggressive sales tactics. For example, four older people came to the office with the same problem: their bills were much higher than usual and they didn't know why. They remembered getting phone calls about their electric service but were hazy about the details. It turned out that the same supplier had switched their service without their knowledge or consent. The consumer agency helped them switch back to their original supplier.

*With the option to choose your electricity supplier, you can shop around for the best deal. But beware of unscrupulous companies that try to trick you into switching to them by pretending to be your current supplier offering a new plan. Your state public utilities department may provide general advice about shopping for electricity. You can find it, along with listings for other agencies, including state and local consumer protection agencies, and much more in the Consumer Action Handbook published by the Federal Citizen Information Center. It's free at <https://publications.usa.gov/USAPubs.php?PubID=5131>.*

## Consumer Agencies' Biggest Achievements in 2016

We asked state and local agencies to describe their biggest achievements during the survey period. These could be major enforcement actions and initiatives, new websites or other efforts to reach consumers and businesses with educational information, improved internal systems, new laws or regulations, or other significant activities.

### **Enforcement**

- One of the biggest achievements for the **District of Columbia Attorney General's Office** in 2016 was reaching a settlement with a couple who performed shoddy and unlawful work on at least 19 properties in the district as part of a house-flipping scheme. They agreed to pay full restitution to consumers, which amounted to \$1.3 million, and to only perform construction work on residential property in the district with the consumer agency's prior approval.
- The resolution of its lawsuit against Western Sky Financial, CashCall et al (page 12) was the biggest achievement for the **Georgia Department of Law's Consumer Protection Unit** last year.
- The **South Carolina Department of Consumer Affairs** cited its settlement with CashCall, which resulted in \$500,000 in restitution and more than \$9 million in loan forgiveness to South Carolinians, as its greatest achievement.
- In 2016 **Hillsborough County Consumer Protection Services** in Florida undertook a new initiative, the Hillsborough County Wage Recovery Program, to ensure that low-income workers are being paid what they are owed. It recovered \$53,450 for workers last year and is on track to surpass that this year. Several other counties in Florida have taken similar steps in an effort address gaps in federal and state wage enforcement authority.
- The **Los Angeles County Department of Consumer and Business Affairs** in California began a similar program to enforce minimum wage laws (page 13).
- The biggest achievement for the **Howard County, Maryland Office of Consumer Protection** last year was resolving a thorny complaint about a home generator. The contractor had assured the homeowner that the generator would work with the existing gas line. After the installation, however, the homeowner learned that the contractor had not verified this with the utility company and that the generator could not be used. The contractor also failed to obtain the required permits. After extensive research and negotiation, the consumer agency convinced the contractor to remove the generator and refund \$8,000 to the homeowner.
- The **Louisiana Attorney General's Office** cited helping two complainants who subcontracted to provide safety personnel and labor to contractors and hadn't been paid as examples of significant achievements attained through its mediation process last year. The delay in payment turned out to be due to miscommunications between the multiple insurance companies from which the money for the work was to come. As a result of the mediators' efforts, one complainant received \$250,000 and the other received \$1.05 million.
- The Department of Telecommunications and Cable within the **Massachusetts Office of Consumer Affairs and Business Regulation** reached a settlement with Charter Communications resolving a variety of contested issues affecting basic service, equipment, and installation rates. The company agreed to refund over \$3 million to customers in the form of bill credits.

- Last year the **New York City Department of Consumer Affairs** and Council Member Rafael L. Espinal, Jr. hosted a public hearing on the topic of predatory lending in the used car industry. The testimony from consumers who have been harmed and national experts on predatory lending will help the agency develop recommendations and solutions to this growing problem. The hearing marked the beginning of a campaign to curb predatory practices in the used car industry, a top priority for the agency.
- The **San Francisco District Attorney's Consumer Protection Unit** played a major role in investigating a camera drone company that took millions from consumers and never delivered the product (page 25).
- The **Virginia Attorney General's Office** led negotiations in a multistate settlement last year with USA Discounters to resolve claims that the company used deceptive sales practices against its customer base, which largely consists of military families and veterans. The settlement provided for approximately \$100 million in restitution and debt forgiveness nationwide, including more than \$27 million for Virginians.

### ***Internal Improvements***

- Last year the **Connecticut Department of Consumer Protection**, which regulates many professions in the state, doubled the number of licensing applications that are available online.
- The **Los Angeles County, California Department of Consumer and Business Affairs** initiated a program to encourage local small businesses and companies operated by disabled veterans to bid on providing supplies and services to the agency.
- The **Massachusetts Office of Consumer Affairs and Business Regulation** implemented an online registration process for home improvement contractors. It also increased awareness of the registration requirement by encouraging town building departments and inspectors to ensure that contractors who pull permits for work are in compliance, by reaching out to industry groups, and by conducting outreach at home shows to educate consumers about the importance of checking contractors' registrations. As a result of these efforts, home improvement contractor registration rose by 54 percent last year.
- Hiring a full-time Spanish interpreter last year dramatically increased the number of questions and complaints that the **Maryland Attorney General's Office** received from Spanish-speaking consumers and helped the agency respond to them.
- In 2016 the **Montgomery County, Maryland Office of Consumer Protection** rolled out its new Complaint and Licensing Management System. It permits complaints to be made online and integrates a translation service. It also enables applications for some occupational licensing to be made online. This will be expanded to other licenses and registrations administered by the agency, improving efficiency, keeping records more uniform, and reducing storage costs.
- The **Summit County, Ohio Office of Consumer Affairs** also created an online complaint intake system last year, which enables the agency to handle complaints much more quickly.
- Expansion and reorganization of the **Virginia Attorney General's Office** Consumer Protection Section was completed last year. This included creating a new Predatory Lending Unit, doubling the number of attorneys, redesigning the complaint database and revamping the website.

## **Legislation**

- The **Florida Department of Agriculture and Consumer Services** worked with the state legislature to enact a new law that better protects consumers from identity theft at gas pumps. It requires self-service fuel dispensers to employ certain security features to prevent “skimming” of credit or debit account numbers, increases enforcement authority over those who possess or traffic in stolen card numbers, and increases the penalties. Additionally, the consumer agency partnered with the Florida Department of Law Enforcement and the US Department of Homeland Security to distribute and place “If You See Something, Say Something” stickers on gas pumps throughout the state to encourage people to report suspicious activities.
- A new state law passed in 2016 enhances the ability of the **Kansas Attorney General’s Office** to protect consumers from scams in door-to-door sales of roofing, lawn care, asphalt paving, frozen meat, and other products and services. It makes failure to comply with restraining orders issued for violations of the state’s door-to-door sales law a felony.
- Three amendments that **Pinellas County Consumer Protection** in Florida recommended to be made to the county’s towing ordinance protect consumers and enhance public safety. One aims at reducing drunk driving by prohibiting towing during certain hours from property that is licensed to sell alcohol, unless the property owner has authorized it. Another requires towing companies to allow car owners access to their impounded vehicles, at no cost, to retrieve keys, medications, and other health and safety-related items. The third requires towing companies to accept multiple forms of payment including cash, major credit cards, and debit cards.
- To combat romance scams, which are often initiated through dating websites and account for some of the largest losses reported to the **Vermont Attorney General’s Office**, the agency worked with the website operators and other stakeholders on legislation that was passed last year. It requires dating websites to alert Vermont members when individuals with whom they have corresponded have been banned from the sites and to notify them about any significant changes that have been made to their account information.

## **Outreach to Consumers and Businesses**

- In response to a huge apartment building fire, the **Cambridge Consumers’ Council** in Massachusetts filmed a public service announcement about renters insurance which has been aired on the local cable access channel. The consumer agency is producing PSAs on additional subjects to inform people about their rights and the services that it provides.
- The **Connecticut Department of Consumer Protection** increased the number of Spanish language informational publications it produces and is engaged in a year-long targeted media campaign to educate Spanish speaking communities about fraud.
- Last year the **Cuyahoga County, Ohio Department of Consumer Affairs** launched Scam Squad, a countywide task force that brings nonprofit organizations and agencies serving seniors together with local, state and federal law enforcement agencies to encourage older people to report scams, ensure that their reports are referred appropriately, and provide information about how to recognize scam threats. A local television station is airing weekly Scam Squad segments on its 6 pm news broadcast. Task force members take turns doing the spots. Alerts are also being pushed out on social media. In addition, the consumer agency is creating and distributing print materials, including a “Hang Up If...” card that people can put by their phones to remind them to

hang up if a caller tries to scare them, asks them to pay for something with a money transfer or prepaid card, claims to be a grandchild in jail, etc. On the flipside is the contact information for the consumer agency and senior agencies that offer one-on-one assistance.

- The **Fairfax County, Virginia Department of Cable and Consumer Services** made 253 educational presentations in 2016 to high school students, seniors, homeowner associations, civic groups, and employees at other county agencies. Topics included landlord/tenant responsibilities, financial fitness, credit reports, scams, identity theft, and aging in place.
- The **Los Angeles Department of Consumer and Business Affairs** in California created a Center for Financial Empowerment which targets youth and individuals who are eligible for the Earned Income Tax Credit to provide them with financial education to help lift them out of poverty.
- Since people are very busy and aren't always interested in proactive consumer education materials, the **Consumer Assistance Office – Metro West** in Massachusetts dedicated a staff person to make contact with agencies that serve vulnerable populations in the area to increase awareness of the consumer services it provides and develop ideas for more effective outreach.
- Last year the **New York State Department of State Division of Consumer Protection** launched a Child Identity Theft Prevention campaign to educate parents and guardians about the state minor security freeze law, which enables them to proactively place a credit freeze on children's credit records to protect their personal information from being used by identity thieves to open credit accounts. As part of the campaign, the consumer agency created a checklist with the steps required by each of the major credit reporting agencies to place the freezes.
- The **Ohio Attorney General's Office** embarked on Ohio Protects, a bold, multimedia consumer outreach initiative. It featured professionally-produced video segments on the IRS imposter scam, the computer tech support scam, and the dangers of unscrupulous contractors. The videos, which have been shown on television, in movie theaters, and online, use humor to convey the educational messages and direct viewers to a new website, [www.OhioProtects.org](http://www.OhioProtects.org), which provides more information and easy interaction with the Consumer Protection Section.
- As part of its work in the Elder Abuse Task Force mandated by the state legislature, the **Tennessee Department of Commerce and Insurance Division of Consumer Affairs** created a scam page on its website, [www.tn.gov/commerce/topic/consumer-scams-schemes-swindles](http://www.tn.gov/commerce/topic/consumer-scams-schemes-swindles), which describes common frauds and provides links to relevant information from other agencies.
- The biggest achievement for the **Utah Division of Consumer Protection** last year was launching a new "Resources for Businesses" website that provides guidance on a number of issues, including "hot topics." See [http://dcp.utah.gov/for\\_businesses.html](http://dcp.utah.gov/for_businesses.html).

## Consumer Agencies' Biggest Challenges in 2016

State and local consumer agencies face many internal and external challenges as they try to help people with complaints, police the marketplace, and prevent constituents from falling prey to scams and abuse.

### *Coping with Internal Challenges*

- An insufficient number of staff was the most common challenge cited by consumer agencies that responded to the survey. In some cases this was due to budget cuts which forces lay-offs or prevent vacancies from being filled. In other cases agencies were tasked with additional responsibilities without being given additional staff to handle them. For example, last year the state Board of Accountancy was added to the professional boards that the **Connecticut Department of Consumer Protection** oversees, with no commensurate staff increase.
- Relatively low wages compared to law firms and other businesses, making it hard to attract and retain good staff, was also cited as a challenge by some consumer agencies. Staff turnover results in loss of institutional memory and expertise, and necessitates time-consuming training. The **South Carolina Department of Consumer Affairs** recently completed a classification and compensation study to compare its pay rates with those of other state agencies and align its 2018 budget request accordingly. Other solutions that agencies cited to address staffing challenges included cross-training employees and hiring consultants on an as-needed basis.
- Lack of enforcement authority was the biggest challenge for the **Cuyahoga County, Ohio Department of Consumer Affairs**. Many businesses will resolve issues voluntarily, but if they refuse the consumer agency must find other approaches. For instance, when the agency contacted a marketing company about a mailer it sent to generate leads for mortgage life and disability insurance, which gave the impression that it was from a county department that provides low-income residents with loans for home repairs, the firm questioned the agency's authority and refused to cooperate. The consumer agency sent alerts to homeowners who had obtained the county loans over the last several years warning them about the mailer and referred the matter to the state insurance department for possible enforcement action.

### *Keeping Up with New Trends and Scams*

- The rapidly evolving nature of technology that facilitates fraud was cited by the **Ohio Attorney General's Office** as the biggest challenge it faced in 2016. Scammers are using social media and cheap calling options such as Voice over Internet Protocol to target and exploit consumers from thousands of miles away. Coupled with nearly instantaneous and anonymous forms of payment, it is very difficult to locate, identify, and take action against them.
- While consumers normally need to have the business's address in order to make a complaint about unfair or deceptive acts or practices to the **Tennessee Department of Commerce and Insurance Division of Consumer Affairs**, that is not necessary when it comes to reporting a scam, as it is increasingly difficult for consumers to get that information with solicitations being made online and via robocalls. Any information they can provide will be accepted.

### ***Maintaining, Improving, and Expanding Systems and Services***

- One of the biggest challenges for the **District of Columbia Attorney General's Office** last year was restructuring to create a separate Office of Consumer Protection, which entailed hiring new staff, creating new outreach materials, and changing the agency's website. The office is also responsible for proposing new consumer protection legislation and conducting public outreach.
- The 2016 floods in Louisiana affected many different parishes and caused severe damage statewide. To deal with the corresponding deluge of calls and complaints, the **Louisiana Attorney General's Office** developed a case tracking system which helped staff categorize the problems and respond to them appropriately.
- One of the biggest challenges for the **Montgomery County, Maryland Office of Consumer Protection** is that the consumer laws it enforces have not kept up with new types of products and services. For instance, the agency registers businesses that repair radios, televisions and small appliances, but hardly anyone has those products repaired anymore and there are few complaints in that regard. On the other hand, there are complaints about repairs to cell phones, tablets and computers. The consumer agency has generally found that the definitions in the registration regulations are broad enough to encompass these newer products.
- Last year Pinellas County, Florida adopted a new ordinance that requires adult entertainment businesses, specialty salons performing nail services, and massage/bodywork establishments to display signs alerting employees and customers about human trafficking and the existence of relevant remedies and protections. **Pinellas County Consumer Protection** is coordinating the implementation and enforcement. The consumer agency created educational materials to share with community organizations and law enforcement agencies and a registration website through which covered businesses can download the sign. Its staff has been working diligently to ensure compliance at approximately 1,700 locations throughout the county.
- The **Summit County, Ohio Office of Consumer Affairs** also took on new responsibilities last year. It now regulates entertainment device arcades, making sure that they have paid their fees and monitoring their activities. It is also in charge of a new program to implement security measures against skimming devices on gas pumps. While carrying out these duties entails much work, it allows the agency to play a more prominent role in county government and provides the opportunity to foster new relationships with businesses and consumers.

### ***Effectively Reaching Constituents***

- Most of the complaints that the **Cambridge Consumers' Council** in Massachusetts receives come from older people, raising concerns that younger people may not be aware of its services. In response, the agency is making a special effort to recruit student interns from local colleges and plans to brainstorm with them about how to reach that demographic.
- Increased exploitation of seniors by scammers through the internet, mail and door-to-door solicitations was the biggest challenge for the **Fairfax County, Virginia Department of Cable and Consumer Services** last year. It joined with other county agencies in holding Senior Safety Summits throughout the county to alert older people of possible scams and the resources available to help them. It also placed alerts on its website and on Facebook.
- Last year the **Kansas Attorney General's Office** began to enforce the state Scrap Metal Theft Reduction Act, which requires scrap metal dealers to register with the agency. While many have done so, some dealers have business models which they believe exempt them from the



registration requirement. In an effort to educate scrap dealers about their responsibilities, the agency has sent mailings and arranged meetings to explain who must comply with the law.

- In response to the problem of furniture and appliances tipping over on children, the **New York State Department of State Division of Consumer Protection** was tasked with developing an outreach program to educate consumers about this hazard and how to prevent it. Because the agency's staff and resources are limited, it has partnered with others. For example, it arranged with the US Consumer Product Safety Commission to serve as the state advocate for its "Anchor It" campaign and co-branded the CPSC's educational materials rather than creating its own. It also formed a partnership with the New York State Builders Association to offer information to parents, grandparents and others at home and garden shows throughout the state.

## **Methodology**

This report is based on a survey of the complaints made to participating state and local consumer protection agencies last year. Since it is not based on a random survey of consumers, it does not necessarily provide an accurate measure of all of the problems that consumers encounter in the marketplace. The survey was conducted from March to June 2017 and covers a one-year period, in most cases January through December 2016 (some agencies keep records on a different basis, such as July through June; all were asked for data for the most recent 12-month period available).

Thirty-nine agencies from twenty-three states participated in the survey. Twenty are state agencies, including for purposes of this report the District of Columbia; fifteen are county; two are city; one, San Francisco, is both a city and a county, and one, the Consumer Assistance Office – Metro West, covers a region within a state. These agencies represent a cross-section of the state and local consumer protection agencies that serve the public across the United States (see Appendix A for the list of participating agencies). All are government entities except the Consumer Assistance Office - Metro West in Massachusetts, which is a nonprofit organization that receives state funding to handle complaints and educate the public in a certain geographic area.

The survey asked respondents to list the top ten subjects of complaint that their agencies received during the survey period, the worst complaints, the fastest-growing complaints, and new types of complaints. There is no uniform set of complaint categories that all agencies use. Some agencies use general complaint categories, while others break complaints into more specific categories. For instance, some record all car-related complaints in “auto,” while others use separate categories for new car sales, used car sales, auto repairs, auto leasing, and towing. Complaints about telephone services may be in utilities or in a separate category for communications services. In the report, complaints were grouped under general subject headings as necessary.

Collectively the agencies that participated in the survey received 203,283 complaints during the survey period and recovered or saved \$161,431,134 for consumers. It is important to note that the number of consumers who benefitted from enforcement actions taken by the agencies may be higher than the number of complaints they received.

Agencies were asked to provide examples of complaints. Not all did so, and in the examples that were provided, the names of the businesses were not always included. In some cases, that information is not publicly available because the investigation is ongoing or because of the terms of a settlement.

Not all consumers complain about their problems, and when they do, there are a variety of options available to them, including making reviews on companies’ websites, commenting on social media, and providing the information to “gripe sites” where people can share their experiences with others. They may also complain to non-governmental organizations that will actually attempt to resolve their problems, such as the Better Business Bureaus and Call for Action, a network of consumer hotlines. In addition, there are federal agencies, most of which take complaints but do not try to resolve them on an individual basis, and agencies at the state or local level that handle only certain types of complaints. We did not survey organizations that are not funded by the government to handle complaints, federal agencies, or state and local agencies that only have one function such as regulating insurance.

**Appendix A**  
**Agencies Participating in the 2016 CFA/NACPI Consumer Complaint Survey**

**California**

Los Angeles County Department of Consumer and Business Affairs  
[www.dcba.lacounty.gov](http://www.dcba.lacounty.gov)

San Francisco District Attorney's Office Consumer Protection Unit  
[www.sfdistrictattorney.org](http://www.sfdistrictattorney.org)

**Connecticut**

Connecticut Department of Consumer Protection  
[www.ct.gov/dcp](http://www.ct.gov/dcp)

**District of Columbia**

District of Columbia Attorney General's Office  
[www.oag.dc.gov](http://www.oag.dc.gov)

**Florida**

Broward County Permitting, Licensing and Consumer Protection Division  
[www.broward.org](http://www.broward.org)

Florida Department of Agriculture and Consumer Services  
[www.floridaconsumerhelp.com](http://www.floridaconsumerhelp.com)

Hillsborough County Consumer Protection Services  
[www.HCFLGov.net/Consumer](http://www.HCFLGov.net/Consumer)

Orange County Consumer Fraud Unit  
[www.ocfl.net/?tabid=1098](http://www.ocfl.net/?tabid=1098)

Pinellas County Consumer Protection  
[www.pinellascounty.org/consumer/](http://www.pinellascounty.org/consumer/)

**Georgia**

Georgia Department of Law - Consumer Protection Unit  
[www.consumer.georgia.gov](http://www.consumer.georgia.gov)

**Kansas**

Kansas Attorney General's Office  
[www.InYourCornerKansas.org](http://www.InYourCornerKansas.org)

**Louisiana**

Louisiana Attorney General's Office  
[www.ag.state.la.us](http://www.ag.state.la.us)

**Maryland**

Howard County Office of Consumer Protection  
[www.howardcountymd.gov/consumer](http://www.howardcountymd.gov/consumer)

Maryland Attorney General's Office  
[www.marylandattorneygeneral.gov](http://www.marylandattorneygeneral.gov)

Montgomery County Office of Consumer Protection  
[www.montgomerycountymd.gov/consumer](http://www.montgomerycountymd.gov/consumer)

**Massachusetts**

Cambridge Consumers' Council  
[www.cambridgema.gov/consumercouncil.aspx](http://www.cambridgema.gov/consumercouncil.aspx)

Consumer Assistance Office - Metro West  
[www.caomw.org](http://www.caomw.org)

Massachusetts Office of Consumer Affairs and Business Regulation  
[www.Mass.Gov/Consumer](http://www.Mass.Gov/Consumer)

Northwestern District Attorney's Office  
<http://northwesternda.org>

**Montana**

Montana Office of Consumer Protection  
[www.dojmt.gov/consumer/](http://www.dojmt.gov/consumer/)

**Nebraska**

Nebraska Attorney General's Office  
<https://protectthegoodlife.nebraska.gov/>

**New Jersey**

Ocean County Department of Consumer Affairs/Division of Weights and Measures  
[www.co.ocean.nj.us/consumer/](http://www.co.ocean.nj.us/consumer/)

Union County Division of Weights and Measures/Consumer Affairs  
<http://ucnj.org/public-safety/office-of-consumer-affairs/>

### **New York**

New York City Department of Consumer Affairs  
[www.nyc.gov/dca](http://www.nyc.gov/dca)

New York State Department of State Division of Consumer Protection  
<http://www.dos.ny.gov/consumerprotection/>

### **North Carolina**

North Carolina Attorney General's Office  
<http://ncdoj.gov/Consumer>

### **Ohio**

Cuyahoga County Department of Consumer Affairs  
<http://consumeraffairs.cuyahogacounty.us/>

Ohio Attorney General's Office  
[www.OhioAttorneyGeneral.gov](http://www.OhioAttorneyGeneral.gov)

Summit County Office of Consumer Affairs  
<http://consumeraffairs.summitoh.net>

### **Oregon**

Oregon Department of Justice  
<http://www.oregonconsumer.gov>

### **Pennsylvania**

Bucks County Consumer Protection, Weights and Measures Office  
[www.buckscounty.org/government/CommunityServices/ConsumerProtection](http://www.buckscounty.org/government/CommunityServices/ConsumerProtection)

### **South Carolina**

South Carolina Department of Consumer Services  
[www.consumer.sc.gov](http://www.consumer.sc.gov)

### **Tennessee**

Tennessee Department of Commerce and Insurance  
Division of Consumer Affairs  
[www.tn.gov/consumer](http://www.tn.gov/consumer)

### **Utah**

Utah Division of Consumer Protection  
<http://consumerprotection.utah.gov>

### **Vermont**

Vermont Attorney General's Office  
[consumer.vermont.gov](http://consumer.vermont.gov)

### **Virginia**

Fairfax County Department of Cable and Consumer Services  
[www.fairfaxcounty.gov/consumer/](http://www.fairfaxcounty.gov/consumer/)

Virginia Attorney General's Office  
[www.ag.virginia.gov](http://www.ag.virginia.gov)

### **Wisconsin**

Wisconsin Department of Agriculture, Trade and Consumer Protection  
<http://datcp.wi.gov>

**Appendix B**  
**Tips for Consumers from the 2016 CFA/NACPI Consumer Complaint Survey Report**

**Auto**

*Resist pressure to buy extended warranties or other expensive add-ons when you purchase a car. They're usually not worth the cost and don't provide much more protection than you already have under the warranty and your insurance coverage.*

*If there is something in the auto sales contract that doesn't match what is on the vehicle or what the salesperson told you, beware! You may want to steer clear of the deal.*

*Before you buy a used car, have it checked out by a mechanic you trust to look for problems that might not be obvious to you until after the purchase.*

*You might have the right to return a car if the dealer concealed information about previous damage or other problems that could have affected your decision whether to buy it. Ask your state or local consumer protection agency for help.*

*Don't drive the car off the dealer's lot until you have everything you need to register it and any other paperwork that you were promised. If you traded in a car that you were making payments on, check with the lender to make sure that the lien has been paid off.*

*Leasing a used car may be an attractive option if you can't afford to buy one or don't qualify for a loan, but who is responsible for fixing it if something goes wrong? If there is a warranty, get it in writing. If there isn't, ask yourself these questions: Do you have the money to make repairs? Does it make any sense to pay to repair a car you don't even own? If the answers are no, don't do the deal.*

*Whether you're buying a car or leasing it, read the contract carefully to make sure you know what you're getting and how much you're paying. Don't be rushed or pressured, ask questions, and if there is anything you still don't understand, show the paperwork to someone you trust before you sign.*

**Charities**

*In most states, charities and the professional fundraisers that solicit for them must be registered. There's no need to donate on the spot – get the information about the charity and then ask your state or local consumer protection agency how you can check on it.*

**Credit/Debt**

*It's a good idea to keep documents on closed accounts for several years just in case questions arise later. You have the right to dispute a debt if you're not sure that you owe it and to ask the debt collector for more information. The Consumer Financial Protection Bureau provides tips on debt collection at <https://www.consumerfinance.gov/ask-cfpb/category-debt-collection/>.*

*Payday loans are very expensive and can trap you in a never ending cycle of debt. Be sure you understand how the loan works, how much it costs, and if that kind of loan is legal where you live. Saving even a small amount of money regularly can help you buy what you need and avoid high fees. For more information about payday loans go to <https://www.consumerfinance.gov/ask-cfpb/category-payday-loans/other-payday-questions/>.*

*Pension advances, also known as pension sales, loans or buyouts, can be costly and leave you without enough money to live on. The Federal Trade Commission provides questions to ask and suggestions for other alternatives at <https://www.consumer.ftc.gov/articles/0513-pension-advances-not-so-fast>.*

*In danger of foreclosure? It's illegal for a mortgage relief assistance service to ask for any payment before it has actually gotten an offer from your lender to modify the loan and you have accepted it. Learn about mortgage relief scams at <https://www.consumer.ftc.gov/articles/0100-mortgage-relief-scams>. Real help is free from the federal government. Go to [www.makinghomeaffordable.gov](http://www.makinghomeaffordable.gov) or call 888-995-4673, TTY 877-304-9707. Your state or local consumer protection agency may also be able to assist you.*

*If your home has been damaged or destroyed and there is a mortgage on it, you will need to work with your lender to get the insurance funds in order to make repairs or rebuild. The nonprofit consumer group United Policyholders provides tips on how to deal with this at <http://uphelp.org/pubs/getting-your-mortgage-company-release-insurance-proceeds>. While some of the information is specific to California, most of it is general and useful to disaster victims no matter what state they live in.*

## **Employment**

*Workers are legally entitled to get the wages that they are owed. If you believe that you are being shortchanged by your employer, don't be afraid to stand up for your rights. Ask your state or local consumer protection agency where to go for help.*

## **Fraud**

*After the Louisiana flooding, the Federal Emergency Management Agency issued a warning about scams to watch out for, including phony offers of disaster grants, see <https://www.fema.gov/news-release/2016/08/29/flood-survivors-urged-avoid-fraud-and-other-scams>. The government does not call people to offer them grants for anything, nor does it ask for any payment to help disaster victims.*

*Scammers like to receive payments in forms that can't be traced or recalled, such as prepaid cards and gift cards. If a store clerk warns you about possible fraud, listen up! Legitimate businesses don't want their customers to be hoodwinked and there is nothing they can do once the scammers have cashed in.*

*Crooks take advantage of human nature – who wouldn't be excited to be told that they've won millions? It can be hard to convince people that the promises these con artists make are lies. If you know an older person who may be falling for sweepstakes or other scams, Adult Protective Services may be able to help. Go to [www.napsa-now.org](http://www.napsa-now.org) for a directory of the services that are available in every state.*

*No legitimate employer would ask you to put customers' payments in your bank account and forward the funds. And just because a check has "cleared" doesn't mean that it's good. If it's phony, you'll have to pay your bank back the money you withdrew. Learn more at [www.consumerfed.org/fakecheckscams](http://www.consumerfed.org/fakecheckscams).*

*How can you tell if an ad for an apartment is real or a scam? If there is a real estate agency listed, get the number independently and call. You can also contact the tax assessor's office in the town or city in which the property is located to get the name of the owner.*

*No one who is really from a law enforcement agency would call threatening to arrest you, nor would you ever be asked to pay a fine using gift cards or a money transfer service.*

*Steer clear of anyone who asks for a fee upfront to provide you with a loan. These are scams that are designed to steal your money, and sometimes your identity as well.*

### **Fuel**

*When disasters strike, prices for fuel, food and other necessities often increase. Some state laws prohibit sellers from raising prices for certain types of products in emergency situations. If you suspect price gouging, check with your state or local consumer protection agency.*

### **Health Products/Services**

*When you have health care services that should be covered by insurance, ask whether the service provider will submit the bill to your insurer or if you need to do so. Once the insurance company processes the claim you should receive an Explanation of Benefits (EOB) that itemizes the charges and shows how much insurance will cover and what is your responsibility. If you notice anything wrong on the EOB or you get a bill that is incorrect, contact the health care provider's office immediately. Ask your state or local consumer agency for advice if you can't resolve the problem.*

*If you are asked to sign a contract for a nursing home or rehab facility on behalf of yourself or someone else, take the time to read it carefully. Don't sign or initial anything that you don't understand or agree to. Residents of nursing homes that are certified by Medicare or Medicaid have certain rights under federal law, including the right to be informed about services and fees, and the right to manage their own money, see <https://www.medicare.gov/what-medicare-covers/part-a/rights-in-nursing-home.html>. There may also be specific rights under state law.*

*Under your insurance plan, you may not be responsible for charges that exceed the amount that the insurance company allows for the health care services that were provided. If you have a question about your coverage, ask your insurer. The company may be able to resolve any errors or other problems directly with the health care provider.*

*When you join a health club or gym, get a copy of the agreement that spells out the terms and the cost. In the case of a billing dispute, try to resolve it with the manager of the facility. If you don't succeed, contact your state or local consumer protection agency for assistance.*

*Under Federal Trade Commission rules, you are entitled to get your prescription for eye glasses or contact lenses from the eye doctor who examined you. The doctor can't force you to buy the glasses or lenses there, charge you extra for the prescription, or ask you to sign away your rights. For more details go to <https://www.consumer.ftc.gov/articles/0116-prescription-glasses-and-contact-lenses>.*

### **Home Improvement/Construction**

*There are many ways to pay for a solar system – buy it outright, get a loan, or lease it. Leasing may seem attractive because you pay little or nothing upfront, but according to Consumer Reports there can be serious disadvantages, including frightening off potential buyers if you decide to sell your home while the lease is still in effect. Read the article at <http://www.consumerreports.org/energy-saving/real-cost-of-leasing-vs-buying-solar-panels/>.*

*One way that homeowners can finance the purchase and installation of solar systems is through PACE (Property Assessed Clean Energy) loans. These are authorized by local governments under state laws to encourage energy efficiency improvements. In areas where PACE loans are available, the solar sales*

*companies solicit homeowners to enroll and the loan payments are collected through their property tax bills. If there is a problem – the tax payments are unaffordable, the sales company made misleading claims about energy savings, the installation was faulty – the homeowner can't simply stop paying, because there is a tax lien on the property. If you are considering any type of loan that results in a lien, get legal advice to make sure you understand the terms and that it's suitable for you. Also check whether you are eligible for free or low-cost energy efficiency programs that might be better alternatives.*

*Before you hire a contractor, get a few estimates and references. Ask your state or local consumer protection agency if there are licensing or registration requirements, and confirm that the contractor that you're considering has complied with them.*

*Never pay the full amount for home improvement work upfront. You will have no leverage if the contractor doesn't complete the job or the work is shoddy. Some states limit the percentage of the total price that the contractor can initially take. Check with your state or local consumer protection agency.*

*A new home is a major investment. Consult with an attorney about whether a performance bond or other protections can be built into the sales agreement.*

*Even legitimate home improvement contractors can run into financial or personal problems that prevent them from completing the job. Protect yourself by insisting on a contract that sets a payment schedule that is proportionate to the work that is done and the materials that are delivered.*

*If a contractor has left you without a roof over your head or holes in the walls where there should be windows, hire a reputable company immediately to remedy the problem and prevent damage to your home. You may be eligible for money from a home improvement guaranty fund if there is one in your state and the contractor was duly registered or licensed – a good reason to ask your state or local consumer protection agency what you need to know before you sign on the dotted line.*

## **Home Solicitations**

*Beware of calls or letters from companies that imply that they already have a relationship with you when you've actually never done business with them before and encourage you to buy an extended warranty. These are misleading sales tactics for what are typically services of little value compared to the cost.*

*If someone claiming to be from your utility company calls to try to sell you something, it may be a sneaky sales pitch. Don't say "yes" or invite them to come to your home. Tell them to send you the information and check with your utility company directly to ask if there is any connection. Chances are, there isn't.*

*Be very careful if someone appears at your door to try to sell you something. Don't agree to buy on the spot, especially if it involves a substantial amount of money or financing. Ask for the information to be left with you and do your homework. Check the company's reputation with the Better Business Bureau (find the nearest BBB in the phone book or go to <https://www.bbb.org/>). You should also ask your state or local consumer protection agency if the salespeople need to be licensed or registered to go door-to-door and if there is anything else that you should know before you make a purchase decision.*

*The Federal Trade Commission's "Cooling Off Rule" gives you the right to cancel a purchase for \$25 or more that you make at your home or at other locations that are not the seller's regular place of business. See <https://www.consumer.ftc.gov/articles/0176-buyers-remorse-when-ftcs-cooling-rule-may-help>.*

*In addition to federal law, you may have cancellation rights for door-to-door sales under state law. You may also have grounds to argue that a contract should be terminated if you were misled, but that can be hard to prove. If you're feeling pressured, the best thing to do is to say that you need to think it over, then get advice from your state or local consumer protection agency.*



## **Household Goods**

*When you buy new appliances, you can assume that they work and come with a manufacturer's warranty. But when you're considering buying used appliances it may be hard to tell how well they work, or if they work at all. Be sure you know the return policy; many states require stores to post that information where consumers can clearly see it before they make their purchases.*

*In addition to the manufacturer's warranty you may have "implied warranty" rights to expect that the item will function as you would reasonably think it would. If an item is defective, don't take it lying down – insist that it be repaired or replaced, and contact your state or local consumer protection agency if you don't get satisfaction.*

*When you're ordering furnishings for your home, get the estimated delivery date in writing and pay with a credit card. That gives you the right to dispute the charges if the merchandise never arrives. While the law requires you to notify your credit card issuer of the problem within 60 days of when the charge first appeared on your bill, the issuer may remove the charges if the delivery time was supposed to be longer. If the date for delivery has come and gone and you still haven't received the items, contact the store and your credit card issuer immediately.*

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*It's aggravating when appliances break down and even more aggravating if you are being bounced between the manufacturer, the retailer, and the company that handles the warranty claims. Make notes of who you spoke with and when, and contact your state or local consumer protection agency for help.*

*When you see something advertised for a very cheap price but it's not available and the salesperson tries to convince you to buy something much more expensive, that's called "bait and switch." Don't take the bait – take your business elsewhere. If you do buy something and the charge to your credit card or bank account is more than you agreed to, contact your credit card issuer or bank immediately to dispute it.*

*Many contracts are legally binding the moment you sign them. Read the document first and if you don't understand it, don't commit. Ask for a copy of the agreement to bring home and have someone you trust review it. After you sign a contract, make sure you receive a written copy and keep it in a safe place in case there are any problems or questions later. Get legal advice before stopping payments on a contract.*

*While there is no appliance "lemon law," you can make the argument that enough is enough when repeated repairs to an appliance don't resolve the problem. If you can't get satisfaction from the store or the manufacturer, contact your state or local consumer protection agency for assistance.*

## **Identity Theft**

*While the federal government has not set general requirements for businesses to secure the personal information that they hold about their customers, states are starting to do so. If you notice any data security issues with a company, ask your state or local consumer agency to whom you should report it.*

*Consumers should never provide personal information such as their Social Security numbers or financial account numbers to anyone who asks for it unexpectedly, whether it's by phone, online, or on the street.*

## **Internet Sales**

*You've heard the saying, "On the internet, no one knows you're a dog." It's also hard to know how healthy a dog is when you see it for sale online. Your best bet is to buy from reputable breeders. You can find breeder directories at the websites for the American Kennel Club, [www.akc.org](http://www.akc.org), and the American Cat Fanciers Association, [www.acfacat.com/](http://www.acfacat.com/).*

*Want to buy a computer online but don't have the cash or a credit card to pay for it? You may be able to get financing as part of the deal, but make sure you know the terms and the total cost, and print out the agreement for your records. If there is a billing error, contact the seller and finance company, and if you can't resolve it, ask your state or local consumer protection agency for help.*

*Paying for online purchases with a credit card provides you with extra protection because you can dispute the charges if the merchandise wasn't delivered or isn't what you were promised.*

*When you order something online, through the phone, or by mail, you have the right to expect that it will be delivered by the time that was promised (or within 30 days if no delivery date was specified). If the seller can't deliver on time, you must be offered the choice of getting a refund or waiting longer.*

## **Investments**

*As with any investment, there is no guarantee that providing money to a start-up business through crowdfunding will pay off. The North American Security Administrators Association provides tips for investors on crowdfunding at <https://www.consumer.ftc.gov/articles/0020-shopping-online>.*

## **Landlord/Tenant**

*When you co-sign or guaranty a lease, be aware that you are taking responsibility for all of the financial and other obligations that it sets.*

*Many states require landlords to ensure that their rental property meets certain safety and health standards. In addition, if there is a lease it may state that the landlord will keep the property in good condition. If you call your landlord about a problem follow up with a letter and keep a copy so you'll have a record of when you provided notice. The time limits for landlords to make repairs may depend on the severity of the problems. Your state or local consumer protection agency can give you information about your rights and how to enforce them if the landlord doesn't cooperate.*

*You may be able to break the lease if the house or apartment you're renting becomes uninhabitable. Document the problems by taking pictures and making a complaint to the local health inspector.*

## **Retail Sales**

*If you are overcharged in a restaurant or a store, speak up! It's not just the little bit extra that you paid – it could be an indication of a much larger problem.*

*Teach your children basic shopping 101: 1) Don't let a salesperson pressure you into buying something; 2) If you don't see what you really want, shop elsewhere or wait until the store has it; 3) Look for the return policy so you'll know before you buy whether you can change your mind later and if you can get your money back or a credit only; 4) Save the receipt for any major purchase in case there is a problem.*

*In some states retailers are able to issue fines for infractions such as shoplifting and writing bad checks. Your state or local consumer protection agency can tell you how to find out if such a bill is legal and whether you can contest it.*

*When you're buying tires or other expensive items, don't let a smooth-talking salesperson persuade you that another brand is just as good as the one that was advertised. Before you take the plunge, look at websites and magazines that provide impartial product reviews. Compare prices and warranties to ensure that you get the most for the amount of money that you're prepared to spend.*

*If you want to adopt a cat or dog, look for animal shelters in your area that follow the Guidelines for Animal Care in Shelters that were issued by the Association of Shelter Veterinarians. See <http://www.shelternvet.org/assets/docs/shelter-standards-oct2011-wforward.pdf>.*

*Even reputable companies can close suddenly, taking customers' deposits with them. If you paid with a credit card, you may be able to dispute the charges with your card issuer. Your state or local consumer protection agency may be able to work with the company to get orders filled and resolve other issues.*

*There is no automatic right to return gifts for a refund, so it's important for the giver and the receiver to know what the store's return policy is. If the policy isn't clear or the store refuses to honor it, ask your state or local consumer protection agency for help.*

## **Schools**

*When a school closes, the U.S. Department of Education may be able to assist students in getting their transcripts, transferring to other schools, and dealing with outstanding loans. Go to <https://studentaid.ed.gov/sa/about/announcements/closed-school>. State education departments and other agencies may also be able to help.*

*Just as with other types of businesses, it's important to know a private school's cancellation and refund policies and procedures before making any payment.*

## **Services**

*When photographers, bridal shops, caterers or other businesses that provide services for weddings and other celebrations close unexpectedly, the impact on customers is emotional as well as monetary. To protect yourself financially, pay with a credit card so that you can dispute the charges if the services are never provided. Your state or local consumer protection agency may be able to help you retrieve photographs, bridal dresses or other things you've paid for from the business owners.*

*Yes, some famous actors and models have been "discovered" on the street, but if you are approached by someone claiming to be from a talent or modeling agency, be very wary. Flattery and promises of big money are alluring but they may just be designed to get you to pay a large fee upfront, with no guarantee of success. See <https://www.consumer.ftc.gov/articles/0071-look-out-modeling-scams>.*

*When you are considering using a tax preparation service, ask how the fees are calculated. Don't go with services that base their fees on a percentage of your refund or that claim that they can obtain larger refunds than others can. If you're entitled to a refund, it should go directly to you, not into the tax preparer's bank account. Unless you have a complicated tax situation, the preparer should be able to give you a good idea of how much the service will cost before you agree to it.*

*Do you need to buy insurance when you place items in self-storage unit? If you already have renter or homeowner's insurance, it may cover loss or damage to your stored belongings, up to a certain amount.*

*Check with your insurance company. If you have no coverage, whether it's worth it to buy insurance depends on the cost and the value of the items that you're storing. Other things to consider are what limitations or exclusions may apply under the policy and whether the payout for claims will be based on the current value of the items or the replacement value.*

*Businesses that are considering using payment processing services should get clear information in advance about exactly how they work, including how and when funds are transferred to their accounts.*

*No matter whether you are renewing a U.S. passport or one from another country, make a copy of it for your records before you give it to anyone to help you renew it, in case it is lost.*

*The U.S. Citizenship and Immigration Services (USCIS) office within the Department of Homeland Security can answer questions about immigration and supply the required forms. Go to [www.uscis.gov](http://www.uscis.gov) or call 800-375-5283, TTY 800-877-8339, Video Relay Service 877-709-5798. Only licensed attorneys or nonprofit organizations that are authorized by USCIS can represent you or give you legal advice.*

### **Timeshares**

*Timeshare companies often use lengthy sales presentations to wear people down and convince them to buy. Don't be pressured to sign anything, even if they say that today's price won't be good tomorrow. Take the information home and ask yourself: Can you afford it? How does the cost compare to what you normally spend on accommodations when you go on vacation? Do the dates and locations work for you? Be aware that you may not be able to switch them as easily as you were told. Check the company's reputation with the Better Business Bureau nearest to its headquarters (go to <https://www.bbb.org/bbb-locator/>). If you decide to buy, be sure that you understand the total cost, including any financing. Get all information and promises in writing. Once you sign, you may not be able to cancel.*

*Buyer's remorse is not uncommon after people have purchased timeshares and realize that it wasn't such a good deal or that they can't afford the payments. Many businesses have sprung up offering to sell unwanted timeshares. Avoid any timeshare re-sale company that asks for a fee upfront, regardless of whether your unit is sold or not, and don't believe claims that the company already has a buyer for it. See <https://www.consumer.ftc.gov/blog/timeshare-resale-fail>.*

*Your obligations under a timeshare agreement don't go up in smoke if the property does. In fact, you may find that your fees increase to help pay for repairs. This is something to consider if you are thinking of buying a timeshare in a location that is prone to hurricanes, tornadoes, wildfires or other natural disasters. Ask the timeshare operator what kind of insurance it has; if the policy covers replacement value it will be easier to make repairs or rebuild, which may make it be easier for you to get fees waived.*

### **Towing**

*If you believe that you were towed unfairly or improperly, pay the fee to avoid running up storage charges, get a receipt, and contact your state or local consumer protection agency for advice.*

### **Travel**

*You can complain about airlines to the Department of Transportation. The Air Travel Consumer Reports that the agency publishes based on that information include a section on the loss, injury or death of animals in air transportation. See <https://www.transportation.gov/airconsumer/file-consumer-complaint>. To resolve your individual problem, however, you should complain to the airline directly. If you don't get satisfaction, your state or local consumer protection agency may have other suggestions.*

*Consumers are often solicited for travel clubs and vacation packages with the promise of free trips and then subjected to aggressive sales tactics. Stand your ground and say NO if you don't want to buy.*

### **Utilities**

*If you are offered a promotional price for cable or other utility services, save the solicitation and note the date and the name of anyone to whom you spoke. Get a copy of any contract that you signed and check to see if it accurately reflects the agreement. If there are billing errors contact the company immediately, and ask you state or local consumer protection agency for assistance if you can't resolve the problem.*

*Companies that provide cable, telephone and/or internet services are increasingly merging, buying each other out, or morphing into new companies. Sometimes customers can be caught in the churn as billing platforms change, new service plans are created, and terms and conditions are revised. If you are faced with choices to make, ask questions to be sure that you understand your options. Keep records of any service or billing problems and contact your state or local consumer protection agency if you need help.*

*With the option to choose your electricity supplier, you can shop around for the best deal. But beware of unscrupulous companies that try to trick you into switching to them by pretending to be your current supplier offering a new plan. Your state public utilities department may provide general advice about shopping for electricity. You can find it, along with listings for other agencies, including state and local consumer protection agencies, and much more in the Consumer Action Handbook published by the Federal Citizen Information Center. It's free at <https://publications.usa.gov/USAPubs.php?PubID=5131>.*