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MEDIA ALERT

Utah Division of Consumer Protection releases Top Ten Consumer Complaints 2013 list for 16th annual National Consumer Protection Week

"Division of Consumer Protection joins 74 federal, state and local agencies in recognizing National Consumer Protection Week (NCPW) March 2-8, 2014"

(For immediate release...)

SALT LAKE CITY, Utah - Francine A. Giani, Executive Director of the Utah Department of Commerce, announced today that the Utah Division of Consumer Protection is releasing its annual Top Ten Consumer Complaints as part of the 16th annual National Consumer Protection Week from March 2-8, 2014. The Division is also highlighting the Federal Trade Commission's 2013 "Consumer Sentinel" report which tracks Utah consumer complaints to the federal agency.

"Aggressive fraudsters continue to follow news headlines and try to trap consumers with offers too good to refuse," warned Francine A. Giani, "Consumers need to be vigilant in protecting their identity, personal information and finances by asking questions and always getting the terms in writing."

According to the 2013 Federal Trade Commission (FTC) state-by-state "Consumer Sentinel" report, Utah consumers reported 10,020 complaints to the federal agency between January 1 and December 31, 2013 in the following categories by rank;

Rank	Top Categories	Complaints	Percentage
1)	Debt Collection	989	10%
2)	Imposter Scams	803	8%
3)	Banks and Lenders	773	8%
4)	Auto-Related Complaints	604	6%
5)	Telephone and Mobile Services	536	5%
6)	Internet Services	413	4%
7)	Television and Electronic Media	409	4%
8)	Shop-at-Home and Catalog Sales	400	4%
9)	Prizes, Sweepstakes, and Lotteries	389	4%
10)	Health Care	282	3%

“Telemarketing complaints are back on top as the most common consumer complaint which shows con artists are constantly finding new ways to get into victims’ wallets,” stated Daniel O’Bannon, Director of the Division of Consumer Protection, “One easy step anyone can take during National Consumer Protection Week is to make sure your phone numbers and those of your loved ones are on the National Do Not Call Registry. It just takes minutes to register, includes cell phone numbers and never expires.”

Division of Consumer Protection Top Ten Consumer Complaints 2013

- 1) **Telemarketing:** Unlicensed telemarketing activity is a threat to consumers. A recent trend involves telemarketers calling consumers and telling them their computer is filled with viruses and requires repair. These callers often get consumers information from internet pop-up ads made to resemble well-known software companies.
- 2) **Coaching Services:** Coaching services are offered to purchasers of business opportunities. These services tend to cost many thousands of dollars more than the original business opportunity. Some of the deceptive practices common to this type of complaint are the misrepresentation of potential earnings and the qualifications or experience of the coaches. These companies often obligate consumers for services from which they will receive little if any benefit.
- 3) **Alarm Systems:** Alarm systems are often sold door-to-door with aggressive sales tactics. In many instances, the company sells a new service as if it were an upgrade to an existing service resulting in the consumer being obligated to pay on two separate contracts.
- 4) **E-Commerce/Internet Offers:** Deceptive practices conducted over the Internet continue to dominate the types of scams that the Division receives. Con artists are able to use the Internet to exploit the consumer’s vulnerability. There are several reasons for this. The pitch is made in the privacy of the consumer’s home where the consumer is less guarded. Consumers tend to believe what they read. The method of payment is quick and easy. Finally, consumers have little recourse if they find themselves victims of deceptive practices. Some of the more common tactics used are the unauthorized debiting of a consumer’s bank account, the automatic billing of a monthly fee until notice of cancellation is received (negative option), and the failure to provide any applicable right of rescission.

- 5) **Retail Sales:** The deceptive practices that are common to this category of complaints include the failure to deliver products during the time frame represented (or if no time frame is represented, within 30-days), providing a product or service that is only similar to the product or service purchased but does not have the same qualities, or is of a different model or type of product or service and to fail to honor warranties the failure to deliver products in the time represented, the failure to make refunds when required, the failure to disclose refund policies, and the failure to honor warranties.
- 6) **Home Improvement/Repair:** The deceptive practices include the failure of the contractor to provide the service after receiving the consumer's deposit, the failure of the contractor to honor its warranties, the misrepresentation of the work of another as being the work of the contractor, and the refusal by the contractor to continue working until the consumer agrees to a higher price.
- 7) **Deposits/Refunds:** The deceptive practices that are common to this category of complaints include the, the failure to make refunds when required and the failure to disclose refund policies.
- 8) **Travel / Vacation / Timeshares:** Have you received an offer for "free" airline tickets, cruises, vacations or other travel incentives? Chances are it's an offer that is too good to be true. Failure of travel or vacation clubs to provide what is promised at the price quoted is a deceptive act, and a common cause of consumer complaints.
- 9) **Auto Repairs/Sales:** Repairs: Failure to disclose refund policies, failure to obtain consumer's express authorization prior to repair, unnecessary repairs. Sales: Misrepresentations in advertising or sales, aggressive sales practices, contracts with incapacitated or vulnerable purchaser.
- 10) **Debt Collection:** Con artists will send out letters to consumers with similar names and demand payment for debts that do not exist. This scheme is also common among telemarketers who ambush victims over the phone seeking fees for imaginary court actions, past debts, etc.

For more information on the 16th annual National Consumer Protection Week, log on to www.ncpw.gov

To file a consumer complaint with the Utah Division of Consumer Protection, log on to; www.consumerprotection.utah.gov or call (801) 530-6601.

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