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Consumer Federation of America



PRESS RELEASE
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NATION'S TOP TEN CONSUMER COMPLAINTS
Recession Related Scams Persist

Washington, DC – Consumer problems related to the recession persist, according to the latest report from the annual survey of state and local consumer protection agencies conducted by Consumer Federation of America (CFA) and the North American Consumer Protection Investigators (NACPI). Forty agencies from twenty states responded to the survey about the most common, fastest-growing and worst complaints they received in 2012.

“Foreclosure rescue scams, dirty debt collection tactics, sudden store closings, and landlords skimping on the heat and ignoring needed repairs are just some of the issues that confront consumers in these difficult economic times,” said Susan Grant, Director of Consumer Protection at CFA. “In addition to those problems, new types of scams and new payment methods that are being exploited by fraudsters pose challenges for consumers and consumer agencies.”

“Whether it’s an offer on the Internet or meat being sold door-to-door out of the back of a truck, consumers need to be careful in today’s marketplace,” noted Amber Capoun, NACPI President and a Legal Assistant in the Office of the State Banking Commission in Kansas. “This survey report illustrates the wide range of problems that state and local consumer protection agencies handle every day and why it’s so important to ensure that they have the resources and training they need to protect the public.”

The survey respondents are general-purpose consumer protection agencies that deal with a variety of complaints; CFA and NACPI did not survey federal agencies or state agencies that focus only on one area such as insurance or banking.

Top Ten Complaints in 2012

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

The top five fastest-growing complaints in 2012 were:

- 1. Towing disputes**
- 2. Landlord/Tenant problems**
- 3. Abusive debt collection practices**
- 4. Telephone service billing issues**
- 5. Unlicensed contractors**

The agencies were also asked about the worst complaints they received last year, which could be based on the number of complaints, the dollar amount, the vulnerability of the consumers, or just the outrageousness of the situation. The top five worst complaints were:

- 1. Foreclosure issues**
- 2. Problems with home repairs after disasters**
- 3. Sweepstakes scams and other frauds targeting elderly consumers**
- 4. Business opportunities and work-at-home offers**
- 5. Violations of do-not-call and other telemarketing rights**

Other Key Survey Findings

- Among the most interesting new types of problems reported to agencies were: an offer for a payday loan that was actually a line of credit to spend at an online shopping mall; mortgage assistance scams perpetrated by individuals who are part of the “sovereign citizenship” movement and claim not to be subject to the law or the courts; charges for disputing bills; a website posting misleading information about individuals’ traffic convictions and offering to remove it, for a fee; third party billing intermediaries holding up deposits of payments and charge-backs for cancelled transactions; rent payments being stolen from drop-boxes at apartment complexes and mobile home parks; door-to-door meat sales out of the back of a truck; and timeshare resale “splinter cells.”
- While budget cuts and limited resources continue to squeeze many state and local consumer protection agencies, they faced other challenges as well: dealing with disasters; maintaining and improving services; serving diverse populations; and keeping up with the evolving nature of fraud.

The survey report provides real-life examples of complaints from the agencies’ files and tips for how consumers can protect themselves. CFA also has tips, videos, and other consumer education materials at www.consumerfed.org/fraud and on its identity theft website, www.IDTheftInfo.org.

[Click here to view the report](#)

The North American Consumer Protection Investigators (NACPI) is an association whose purpose is to provide a medium through which consumer protection investigators, both civil and criminal, of the respective governments (federal, state, county, city, province, district, or territory) receive educational training at annual conferences; network and exchange information; and cooperate in matters involving consumer protection investigations, education, and litigations, of mutual concern to all.

The Consumer Federation of America (CFA) is an association of nearly 300 non-profit consumer groups that was established in 1968 to advance the consumer interest through research, advocacy, and education.