



NACAA



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NORTH AMERICAN CONSUMER PROTECTION INVESTIGATORS

## **TEN WAYS TO PROTECT YOURSELF FROM SCAMS AND RIP-OFFS**

According to a survey conducted in 2010 by the Consumer Federation of America (CFA), the National Association of Consumer Agency Administrators (NACAA), and the North American Consumer Protection Investigators (NACPI), the top complaints that state and local consumer protection agencies receive concern everyday transactions: car sales and repairs, credit and loans, debt collection, home improvement work, utility service, retail sales, internet sales, household goods, apartment rentals, home solicitations, and health products and services.

In these tough economic times, it's more important than ever to protect yourself from scams and rip-offs and get the most for your money.

- 1. Look at the track record.** Before you buy from unfamiliar companies, check with your state or local consumer agency, the Better Business Bureau, and online complaint forums to see if other people have reported serious problems.
- 2. Hire licensed professionals.** When you're hiring home improvement contractors or other professionals, ask your state or local consumer agency if they must be licensed or registered and how you can check to confirm that they are.
- 3. Pay the safest way.** When you buy goods or services that will be delivered later, pay with a credit card so you can dispute the charges if they don't arrive or aren't what you were promised.
- 4. Use gift cards and gift certificates promptly.** Even well-established businesses can suddenly close or go bankrupt, and it may be impossible to get refunds for the unused balances on gift cards and gift certificates.
- 5. Don't pay in full upfront.** If you are asked for a deposit for home improvement or other services, pay a small amount, never the full price upfront.
- 6. Recognize the danger signs of fraud.** Be suspicious of any requests to wire money; scare tactics or pressure to act immediately; promises that you can borrow, win or make money easily if you pay a fee in advance; and any situation in which someone gives you a check or money order and asks you to send money somewhere in return.
- 7. Get all promises in writing.** Verbal agreements are hard to prove. Carefully read contracts or finance agreements and make sure you understand them before you sign.
- 8. Seek help for financial problems from legitimate sources.** If you're having trouble paying your bills, consult a nonprofit consumer credit counseling service. Steer clear of debt settlement services that require most or all of the fees to be paid before any of your debts are settled. If you can't afford your mortgage payments, contact your lender to try to work out a loan modification. If the lender is unresponsive or unhelpful, call 1-800-569-4287 or go to <http://nhl.gov/offices/hsg/sfh/hcc/hcs.cfm> to find a local housing counselor certified by the U.S. Department of Housing and Urban Development. Reject unsolicited offers of help from any company except the lender to whom you send your mortgage payments.
- 9. Know your debt collection rights.** Under federal law you have the right to dispute debts that you don't owe, and many states prohibit action to collect debts after a certain number of years. Federal and many state laws also prohibit debt collectors from calling with annoying frequency, falsely threatening legal action, and discussing debts with people who aren't legally responsible for them.
- 10. When in doubt, check it out.** If you're not sure what your rights are or you think something might be fishy, ask your state or local consumer agency for advice.

If you have a complaint, your state or local consumer agency can provide advice and information about your legal rights and may be able to help you if your efforts to resolve the problem with the company don't succeed.