



Consumer Federation of America



**PRESS RELEASE**

FOR IMMEDIATE RELEASE

**CONTACTS:**

Susan Grant, CFA (202) 939-1003  
Amber Capoun, NACPI, (785) 296-1537

**NATION'S TOP TEN CONSUMER COMPLAINTS**

*Aided by New Technology, Telemarketing Abuse and Fraud Remain Persistent Problem*

Washington, DC – Do-not-call violations and other telemarketing abuses were the fastest-growing complaints in 2013, 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-three states responded to the survey about the complaints they received last year.

“Despite the national do-not-call registry, strict rules concerning robocalls, and other protections, unwanted and fraudulent phone calls are still plaguing American consumers,” Susan Grant, Director of Consumer Protection at CFA. Technology is a major factor in telemarketing abuses. “Internet phone service, Caller ID spoofing software, prepaid cell phones that scammers buy anonymously and discard, auto-dialers and other technology make it easy and inexpensive for crooks to contact U.S. consumers from anywhere in the world,” said Amber Capoun, NACPI President and a Legal Assistant in the Office of the State Banking Commission in Kansas.

CFA and the NACPI surveyed general-purpose consumer protection agencies at the city, county and state level about the top, worst, and fastest-growing complaints in 2013. The survey also asked about new kinds of problems that consumers reported, the agencies’ biggest achievements and challenges, and new laws needed to better protect consumers.

**Top Ten Complaints in 2013**

- 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. Retail Sales:** False advertising and other deceptive practices, defective merchandise, problems with rebates, coupons, gift cards and gift certificates, failure to deliver
- 5. Services:** Misrepresentations, shoddy work, failure to have required licenses, failure to perform
- 6. Utilities:** Service problems or billing disputes with phone, cable, satellite, Internet, electric and gas service
- 7. Landlord/Tenant:** Unhealthy or unsafe conditions, failure to make repairs or provide promised amenities, deposit and rent disputes, illegal eviction tactics
- 8. (tie) Home Solicitations:** Misrepresentations or failure to deliver in door-to-door, telemarketing or mail solicitations, do-not-call violations
- 8. (tie) Internet Sales:** misrepresentations or other deceptive practices, failure to deliver online purchases
- 9. Health Products/Services:** Misleading claims, unlicensed practitioners, failure to deliver
- 10. Fraud:** Bogus sweepstakes and lotteries, work-at-home schemes, grant offers, fake check scams, imposter scams and other common frauds

The top five fastest-growing complaints in 2013 were:

- 1. Violations of do-not-call rights and other telemarketing abuses**
- 2. Home improvement and construction**
- 3. Used car sales**
- 4. Utility billing issues**
- 5. Internet sales**

Agencies' worst complaints could be based on the number of consumers involved, the dollar amounts, the particular vulnerability of the consumers, or just the outrageousness of the situations.

The top five worst complaints in 2013 were:

- 1. Scams of all kinds against the elderly**
- 2. Home improvement and construction**
- 3. Business closings that left consumers in the lurch**
- 4. Phony sweepstakes and lotteries**
- 5. Landlord/tenant disputes**

One of the biggest challenges that the agencies faced was keeping up with the evolving marketplace, especially dealing with scammers targeting U.S. consumers from other countries. The technologies that are used to mask callers' real identities and locations make telemarketing fraud and abuse particularly challenging for state and local consumer protection agencies to deal with, especially when the culprits are overseas. "Stepped up telemarketing enforcement and partnerships between federal, state and local agencies are crucial to investigating and prosecuting these cases," said Ms. Capoun. Industry must also help combat these problems. "Payment processors and others whose services crooks exploit should exercise due diligence and be alert for signs of fraud," said Ms. Grant. "If they knowingly facilitate telemarketing fraud, or willfully ignore it, they should be held responsible." Ms. Grant lauded the recent announcement by Green Dot Corporation to phase out its MoneyPak cash reload product, which has become a popular means for fraudsters to obtain victims' payments. The survey report notes that the telecom industry is working to prevent Caller ID spoofing and other abuses of telephone systems. "Carriers could do more, such as offering customers comprehensive blocks for all robocall sales calls where that is technically feasible," said Ms. Grant.

The survey report provides real-life examples of complaints from the agencies' files and tips for how consumers can protect themselves. "The stories from agencies' files illustrate the wide range of problems that consumers encounter, from faulty appliances to false advertising, high-pressure door-to-door sales to sweetheart swindles," said Ms. Capoun. "The survey highlights the hard work that state and local agencies do to educate the public, resolve complaints, and keep the marketplace fair for all," said Ms. Grant. "Their actions demonstrate the positive role that government can play in people's lives."

The full survey report is at <http://www.consumerfed.org/pdfs/2013-consumer-survey-report.pdf>. CFA provides additional consumer education materials at [www.consumerfed.org/fraud](http://www.consumerfed.org/fraud), including a [Guide to Understanding Your Telemarketing Rights](#) as well as tips and videos about how to spot various types of scams and avoid becoming a victim.

*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.*