



Consumer Federation of America

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NATION'S TOP TEN CONSUMER COMPLAINTS

Real Estate Problems Crack the Top Ten for First Time

Washington, D.C. – Cars, credit and home repair and construction once again topped the list of complaints made to state and local consumer protection agencies, according to a survey by the Consumer Federation of America (CFA) and the North American Consumer Protection Investigators (NACPI). Thirty-eight agencies from across the United States provided information about the most common, fastest-growing, and worst complaints they received in 2011. They were also asked about new types of consumer problems, what their biggest achievements and challenges were last year, and what new laws are needed to better protect consumers.

“State and local agencies are essential components of the consumer protection system in the United States,” said Susan Grant, Director of Consumer Protection at CFA. “Their services save consumers and businesses money, relieve the burden on courts, foster confidence in government, keep the public safe, and help ensure fairness in the marketplace.”

“The information compiled in the survey helps us as consumer protection agencies follow trends in consumer fraud, educate the public, and share information with each other, which will ultimately assist us in our investigations against fraud,” said Tonya Hetzler, Interim President of NACPI.

Top Ten Complaints

- 1. Auto:** Misrepresentations in advertising or sales of new and used cars, lemons, faulty repairs, leasing and towing disputes
- 2. 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
- 3. Home Improvement/Construction:** Shoddy work, failure to start or complete the job
- 4. Retail Sales:** False advertising and other deceptive practices, defective merchandise, problems with rebates, coupons, gift cards and gift certificates, failure to deliver
- 5. Utilities:** Service problems or billing disputes with phone, cable, satellite, Internet, electric and gas service
- 6. Services:** Misrepresentations, shoddy work, failure to have required licenses, failure to

perform

7. (Tie) **Internet Sales:** Misrepresentations or other deceptive practice, failure to deliver online purchases; **Landlord/Tenant:** Unhealthy or unsafe conditions, failure to make repairs or provide promised amenities, deposit and rent disputes, illegal eviction tactics
8. **Fraud:** Bogus sweepstakes and lotteries, work-at-home schemes, grant offers, fake check scams, the grandparent scam and other common frauds
9. **Real Estate:** Timeshare sales and resales, retirement communities and assisted living facilities, real estate fraud
10. (Tie) **Household Goods:** Misrepresentations, failure to deliver, faulty repairs in connection with furniture or appliances; **Home Solicitations:** Misrepresentations or failure to deliver in door-to-door, telemarketing or mail solicitations, do-not-call violations

Other Key Survey Findings

- The top five fastest-growing complaints were about fraud, debt collection abuses, Do Not Call violations, mortgage-related problems, and home improvement.
- The top five worst complaints involved mortgage-related problems, home improvement, timeshare sales and resales, Internet sales, and fraud.
- New types of consumer problems that agencies dealt with last year covered a wide spectrum of subjects, from bedbugs in apartments to penny auctions on the Internet, from gold buying companies to telemarketing and mail solicitations for home repairs disguised as “free” energy audits. Some agencies also noted that scammers are exploiting a new form of payment, prepaid card products, to get cash from consumers.
- Budget cuts and limited resources were most frequently cited as the biggest challenges that state and local consumer protection agencies faced last year. Another major challenge was the evolving nature of fraud and the fact that many scammers are located in other countries, complicating efforts to resolve complaints.

Agencies provided many suggestions for strengthening consumer protection, including prohibiting mandatory arbitration in consumer contracts, assessing stiffer penalties for operating without required licenses or registration, providing consumers with greater legal protection from unwanted online tracking and other invasions of their privacy, requiring that all businesses including online companies provide their names and other information to make it easier to identify and contact them, regulating business such as Internet cafes and dating services, and creating the equivalent of Interpol to help U.S. law enforcement agencies take action against scammers located in other countries.

The survey report features real-life examples of consumer complaints from agencies’ files and tips for consumers to help them avoid those problems and know what to do if they encounter them. CFA also offers general tips for consumers about how to avoid scams and rip-offs at www.consumerfed.org/pdfs/Consumer_Complaint_Consumer_Tips2011.pdf and an

array of fact sheets, videos and other materials about fraud at www.consumerfed.org/fraud.

The full report can be found on the CFA's website at www.consumerfed.org/pdfs/Studies.Top10ConsumerComplaintsSurvey7.31.12.pdf

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.

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