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State of Utah
Department of Commerce

FRANCINE A. GIANI
Executive Director

THAD LEVAR
Deputy Director

TRACI A. GUNDERSEN
Director, Division of Consumer Protection

March 9, 2011

MEDIA ALERT

Utah Division of Consumer Protection releases Top Ten Consumer Complaints as part of 13th annual National Consumer Protection Week, March 6-12, 2011

"Consumer complaints to Division of Consumer Protection increased 16% in 2010 over fiscal year 2009"

(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 list of Top Ten Consumer Complaints as part of the 13th annual National Consumer Protection Week from March 6-12, 2011. The Division is also highlighting the Federal Trade Commission's 2010 "Consumer Sentinel" report which tracks Utah consumer complaints to the federal agency.

"In today's economy as more people turn to the Internet for business transactions, consumers need to remain vigilant in the fight against scams," said Francine A. Giani, "Our Division of Consumer Protection continues to believe that an educated consumer is always a scam artist's worst nightmare."

According to the 2010 FTC state-by-state "Consumer Sentinel" report, Utah consumers reported 8,151 complaints to the federal agency between January 1-December 31, 2010 in the following categories;

Rank	Top Categories	Complaints	Percentage
1)	Debt Collection	1,015	12%
2)	Prizes, Sweepstakes and Lotteries	548	7%
3)	Internet Services	532	7%
4)	Imposter Schemes	530	7%
5)	Foreign Money Offers, Counterfeit Check Scams	456	6%
6)	Shop-at-Home, Catalog Sales	363	4%
7)	Telephone and Mobile Services	339	4%
8)	Internet Auction	307	4%
9)	Health Care	264	3%
10)	Credit Cards	257	3%

In Utah, the Division of Consumer Protection saw consumer complaints increase 16% to 4,632 during fiscal year 2010 versus 3,995 over fiscal year 2009. The Division released a Top Ten List of Consumer Complaints for Fiscal Year 2010 which is as follows;

Top Ten Consumer Complaints

Top consumer complaints received by the Division during FY2010 are as follows:

1. E-Commerce/Internet Offers: Deceptive practices conducted over the Internet continue to dominate the types of scams that the Division receives. These complaints represent 27% of the top ten complaints. 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.

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. Health Spas: The bad economy during the year caused many health spas to close their doors.

4. Retail Sales: The deceptive practices that are common to this category of complaints include 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.

5. Personal Services: Personal services are those economic services involving the personal effort of an individual as opposed to the sale of a product or commodity. Common deceptive practices are the unauthorized withdrawal of money from the consumer's bank account and the representation of an understated or misstated price, delivery date or other material term with the intent to induce the consumer to enter into a contract knowing that the provider will not honor the bid.

6. 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.

7. Debt Collection: The deceptive practices include the debt collector attempting to collect a debt from someone other than the debtor, attempting to collect more than what the debtor owes, or misrepresenting its legal status.

8. 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 contactor 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.

9. Auto Repair: Some of the deceptive practices common to this group are that the repair shop performed unneeded repairs, failed to disclose refund policies, and failed to obtain the consumer's express authorization for the repairs.

10. Auto Sales-Used: Aggressive sales tactics are often used in the sale of used cars. When the influence of those tactics wanes, the consumer will often want to rescind the contract under the mistaken belief that there is a three-day right of rescission. Sometimes the car's condition is misrepresented.

For more information on the 13th annual National Consumer Protection Week, log on to www.ncpw.gov

For more information or to file a consumer complaint contact the Utah Division of Consumer Protection at (801) 530-6601 or log on to;
www.consumerprotection.utah.gov

For more information contact:
Jennifer Bolton
Public Information Officer
Utah Department of Commerce
(801) 530-6646 office
(801) 652-8322 cell