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NATION'S TOP TEN CONSUMER COMPLAINTS

Identity Theft Tops the List of Fastest-Growing Complaints

Washington DC -- Identity theft topped the list of fastest-growing complaints to state and local consumer protection agencies last year, according to the latest report from the annual survey conducted by Consumer Federation of America (CFA) and the North American Consumer Protection Investigators (NACPI). Thirty-seven consumer agencies from twenty-one states participated in the survey, which asked about the most common complaints they received in 2014, the fastest-growing complaints, the worst complaints, new kinds of consumer problems, agencies' biggest achievements and challenges, and new laws that are needed to better protect consumers.

Tax ID Theft Cited as Particularly Troublesome

"Considering the epidemic of data breaches that we've been experiencing in the last year, it's not surprising that more consumers are contacting state or local consumer agencies for help to resolve the problems that identity theft can cause," said Susan Grant, Director of Consumer Protection and Privacy at CFA. Some agencies cited the use of consumers' stolen personal information to impersonate them in order to claim their tax refunds as a particularly fast-growing and troublesome problem. "Government benefits fraud resulting from identity theft makes it very difficult for the victims to claim benefits that are rightfully theirs," noted Amber Capoun, NACPI President and a Legal Assistant in the Office of the State Banking Commission in Kansas. "The solution to the problem isn't to provide consumers with identity theft insurance, it's to require better security to prevent their personal information from being stolen and fraudulently used," said Ms. Grant.

The top three complaints most commonly made to state and local consumer agencies continue to be auto-related problems, home improvement and construction, and credit and debt issues.

Top Ten Complaints in 2014

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.□□□□□ (Tie) Retail Sales. False advertising and other deceptive practices, defective merchandise, problems with rebates, coupons, gift cards and gift certificates, failure to deliver;

Utilities. Service problems or billing disputes with phone, cable, satellite, Internet, electric and gas service.

5.□□□□□ Services. Misrepresentations, shoddy work, failure to have required licenses, failure to perform.

6.□□□□□ Landlord/Tenant. Unhealthy or unsafe conditions, failure to make repairs or provide promised amenities, deposit and rent disputes, illegal eviction tactics.

7.□□□□□ Home Solicitations. Misrepresentations or failure to deliver in door-to-door, telemarketing or mail solicitations, do-not-call violations.

8.□□□□□ (Tie) Health Products/Services. Misleading claims; unlicensed practitioners; failure to deliver;

Internet Sales. Misrepresentations or other deceptive practices, failure to deliver online purchases.

9. Fraud. Bogus sweepstakes and lotteries, work-at-home schemes, grant offers, fake check scams, imposter scams and other common frauds.

10. Household Goods. Misrepresentations, failure to deliver, faulty repairs in connection with furniture or appliances.

Worst Complaint of 2014

The top worst complaint of 2014 was debt collection. Problems in that category run the gamut from callers trying to get consumers to send money to satisfy loans that don't really exist to abusive practices to collect debts that consumers legitimately owe. The real-life examples of complaints from agencies' files provided in the report illustrate the range of problems that state and local consumer agencies handle. "The agencies in our survey try to help consumers with a wide variety of problems, from phony claims that an antique desk from China could cure cancer to a disabled man trying to cancel satellite television service that he couldn't afford," said Ms. Grant. "Consumer protection investigators need to develop expertise in many different subject areas," said Ms. Capoun. "You think you've heard it all and then a new kind of complaint comes in."

New Consumer Problem

One new consumer problem that several agencies mentioned encountering last year was businesses closing and reopening under the same name but with new owners refusing to honor agreements that the original companies had made with consumers.

New Business Types Require New Protections

When asked what new laws are needed to better protect better consumers, several agencies suggested that lawmakers should address “the sharing economy.” Since consumer protection laws generally apply only to business-to-consumer transactions, it can be unclear who is legally responsible for problems that arise when consumers purchase services from other individuals through platforms such as Airbnb and Uber.

To read the full report, which provides additional suggestions for new laws as well as descriptions of agencies’ biggest achievements and challenges and tips for how consumers can protect themselves, go to www.consumerfed.org/pdfs/2014-consumer-survey-report.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 over 250 non-profit consumer groups that was established in 1968 to advance the consumer interest through research, advocacy, and education.