



Consumer Watch

A Monthly Newsletter from the Connecticut Department of Consumer Protection

William M. Rubenstein, Commissioner

Dannel P. Malloy, Governor

www.ct.gov/dcp

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Suggested Links

www.ct.gov/dcp

Our website offers the latest and most comprehensive information that we have on dozens of consumer-related topics!

www.SmartConsumer.ct.gov

Basic information for consumers of all ages to protect themselves and avoid scams!

<https://www.elicense.ct.gov>

To verify a license, permit or registration, or to run a roster of licensees. Also, the place for online renewal!

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Closures Affect Consumer Complaint Tallies for 2013



The Department of Consumer Protection’s annual “Top Ten” list of consumer complaints for the past year is based on a review of more than 6,000 written consumer complaints received in 2013. The sudden closure of a home heating fuel company played a significant part in launching the number of complaints about gasoline and heating fuel into first place for the first time in recent memory. Typically, the dubious honor of “Top Complaint” has gone to the area of home improvement. And complaints about restaurants entered the top ten for the first time ever, following the closure of a major wedding venue earlier in 2013, a situation that brought on

considerable stress for dozens of brides to be.

The Department received 6,008 written complaints for the year, while the number of phoned-in complaints and questions numbered in the tens of thousands. The following Top Ten categories accounted for nearly 60% of the written complaints in 2013.

1. Fuel – gasoline, propane, oil (17.5% of all complaints) -- The sudden closure of a home heating oil delivery company last year helped to spark an increase in consumer complaints among fuel related categories. Gas pump “jumps,” bad or short firewood, gas pump signage and propane delivery were other topics described in consumers’ fuel complaints last year. All were investigated and remedied as possible by the Department. The agency is proposing legislation this year to further improve consumer protections under pre-paid fuel contracts.

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From the Commissioner

When businesses close their doors with little or no warning, consumers who are left holding the bag report their frustration and seek redress; we confronted that issue in several categories this year. The complaint statistics we report in this issue reflect this reality. While gathering your files for tax season, you might want to consider whether the way you donate is working as well as possible for you and for the causes you support; we provide some thoughts on page 3. New cars are waiting on the lots, but before heading out, have a look at page 4 and bring some of these questions with you. Text phishing scams promise free prizes but don’t deliver and the FTC is taking action. Read more and learn how to avoid these scams on page 4. Those stories and more updates are featured in our March issue. Enjoy!

Bill Rubenstein



Commissioner
William M.
Rubenstein

2013 Complaints, *continued from page 1*

2. Home improvement/New home (14.5% of all) -- Up slightly from 2012, complaints about home improvement contractors and new home builders are common and typically involve issues such as unfinished work, improper contracts, damage to home or property, shoddy materials, non-return of deposit. Working with a contractor who is properly registered with the Department of Consumer Protection is crucial, as is getting numerous, excellent references and a written, signed, dated and detailed contract that includes a start date, end date, and all aspects of the work to be done, including the quality of materials to be used. The contract must also state that you have three business days to cancel.

3. Telemarketing (7.6% of all) holds its spot at #3, where it has been for several years. This category often includes complaints about some entities not currently covered by the Do Not Call law; it certainly includes complaints about numerous businesses flouting the Do Not Call law. Where a number can be traced to a Connecticut business, the Department enforces the Do Not Call law. However, non-traceable numbers, out of state and out of country numbers are provided to the Federal Trade Commission for enforcement.

4. General retail (5% of all) – These complaints involve bricks and mortar stores, and generally include problems with refunds, exchanges, warranties, rebates, advertising, or service.

5. Occupational trades (3.6% of all) – The Department also investigates complaints related to the occupations that it regulates. In this category, complaints are about work performed by tradespersons such as plumbers, electricians, home inspectors, well drillers, heating and cooling contractors, and others.



Courtesy of stockimages, freedigitalphotos.net

6. Real estate (3.3% of all) – The Department licenses and regulates real estate salespersons, brokers and appraisers, and it also responds to consumer complaints about contract errors, misleading advertising, buyer/seller agreement violations, alleged fraud, and property valuation.

7. Restaurant (2.3% of all) -- In 2013, closures led to a spike in restaurant complaints; usually not a major category for the Department. A major wedding reception facility in the Hartford area closed, leaving brides-to-be without their deposits or a venue for their reception. Smaller restaurant closings and consumers' subsequent loss of gift card value also contributed to a higher than normal complaint tally in 2013.

8. Internet Sales (2% of all) -- Problems might include non-delivery of items or overcharges, companies that engage in repeat billings, unauthorized charges or ACH withdrawals, or that do not respond to "opt out" requests from consumers. Unfortunately, fraudulent sellers exist on the Internet as well.

9. Auto Dealer (1.8% of all) -- Issues may include non-delivery of vehicles, over-charges, warranties, rebates, advertising, or aggressive sales tactics.

10. Debt collection (less than 1% of all) -- Consumers report harassing behavior on the part of debt collectors.

Sometimes consumers complain that they will not pay the debt for a service or product that doesn't work. Anyone who has a problem with something that they owe payments on must complain to the original seller about the problem, not to the debt collection agency. Consumers should know their rights under the Fair Debt Collection Practices Act, which states when and how debt collectors may contact them. Debt collectors are not allowed to be abusive, nor threaten any action that they cannot or will not reasonably undertake. Consumers have the right to dispute a debt in writing.

Prevention of problems is the best medicine -- While we realize that sometimes even the most carefully planned and researched home improvement job will not go well, and we know that unforeseen business closings leave consumers in the lurch, overall, the well-informed consumer is going to suffer fewer problems. The agency's information website, SmartConsumer.ct.gov offers guidance about many types of fraud and fraud prevention strategies. The main website, ct.gov/dcp covers all kinds of marketplace issues, including important guidelines and tips for choosing a heating fuel dealer and working with a home improvement contractor. The agency's complaint procedures are also featured on that website.

Don't hesitate to file a complaint -- Feel free to contact the Department whenever you have a problem with a business that you cannot remedy on your own. Filing a written complaint not only will possibly result in getting you the assistance and resolution you need, but will also alert us to an issue or illegality that needs attention.

The Department can sometimes provide help in the form of restitution through one of its Guaranty Funds. In 2013, we paid out more than \$2.27 million in restitution to consumers from the Health Club, Home Improvement, Real Estate and New Home Construction guaranty funds.

Once again, the Department's websites are SmartConsumer.ct.gov and ct.gov/dcp. Written complaints can be emailed to dcp.frauds@ct.gov. Our toll-free consumer helpline number is 1 (800) 842-2649.



SmartConsumer Contest featured during Consumer Protection Week

An online quiz and essay contest for 12 - 18 year olds that the Department sponsored during Consumer Protection Week, March 2nd through March 8th, resulted in hundreds of visitors to the SmartConsumer website, and tested the efforts of youngsters vying for one of three top prizes.

After scoring 100% on an online quiz based on the SmartConsumer.ct.gov website, contestants then submitted a 500-word essay on something they had learned on the website about avoiding fraud or scams.

Essays are being reviewed and scored; a final decision on the three winning essays is expected in early April. Prizes include an Apple I-Pad Mini, an Apple I-Pod Touch, and a Kindle Fire.

Final Free “Small Claims Court” Workshops Scheduled for this Spring

The final two workshops of the spring semester have been scheduled by students at the UConn Law School, so mark your calendars! This brief program will provide you with a free introduction to Small Claims Court, and you'll learn how to file a case and represent yourself. The Law School students offering this program for the public are prepared and well-informed about the many laws affecting consumers.

After attending, you will be empowered to navigate the small claims process. Sign up to attend one of the workshops scheduled for:

Tuesday, March 18

or

Tuesday April 15

6:00 to 7:00 pm

**Reading Room, Starr Hall
UCONN Law School
45 Elizabeth Street, Hartford**

For more information, visit [this link](#) or email Andrew.glass@uconn.edu.

At Tax Time: Plan Your Charitable Giving for 2014



While you're gathering all your paperwork for tax time, take a second look at your charitable donations for 2013. Many people give sporadically throughout the year as situations arise; some find themselves scrambling to make contributions before December 31st to get a tax break, and others give consistently in increments throughout the year. However, without planning, none of these methods may be making the maximum impact -- either for your tax purposes or the charity.

Financial experts report that you may be able to stretch your tax benefits by planning in advance. Here are tips to help you make the most of your charitable contributions throughout the year.

- **Establish your giving goals.** Take some time now to assess the causes you would most like to support and determine your priorities. You may want to set a giving goal or limit.
- **Research charities.** If you have a cause you want to support but don't have a specific charity in mind, find one that you trust and that will put your money to good use. Identify charities that allocate a lower percentage of each dollar to administrative costs versus those that spend most of their money on overhead. A few good places to start your search include Charity Navigator, the Better Business Bureau's Wise Giving Alliance and basic information from GuideStar. Community foundations can also provide a lot of information about local charities in your area.
- **Make periodic donations.** By planning and spacing out your donations, your gifts may be able to be used more effectively by the charity. You may also find it easier to make a larger donation when you give a little bit at a time. Some charities allow you to make automatic contributions. Not only is this easier for you, it also helps the charity, as it can plan ahead for the best use of your donation. You may even be able to work with the charity to designate a specific purpose for the funds or make the most of matching offers.
- **Utilize employer-matching.** Find out if your employer provides matching donations of employee contributions to charity. If so, you may want to take advantage of this offer. It multiplies your gift and can make a big difference for charities.
- **Donate after you declutter.** You may be able to give a charity some unwanted clothes, furniture, toys and other household items. If the items are in good or better condition, you can get a tax deduction for the fair market value of donations that total \$500 or more, by using IRS form 8283. Also, if you donate time to a charity, keep track of any driving you do for the charity (you can deduct 14 cents per mile in 2014) and out-of-pocket expenses (such as stamps you buy for a charitable mailing). Keep careful records of these throughout the year so you can get credit for them at tax time.
- **Understand the tax ramifications.** The general rule of thumb is that most charitable gifts can only be deducted from your taxes if you itemize deductions. In 2014, the standard deduction for those who choose not to itemize is \$12,400 for married couples and \$6,200 for a single tax filer.

Just like other aspects of your life, your charitable giving should meet specific goals you have in mind. These simple steps can help you to optimize the results of the charitable gifts you make in 2014.

Random text message? There's no prize at the end of that phishing line!

The Federal Trade Commission wants to remind you to not reply to — or click on — a link for a random text message on your phone saying that you've won a prize, gift card or an expensive electronic item like an iPad. It's most likely a scam.

According to a settlement announced by the FTC, two groups of companies, SubscriberBASE Holdings, Inc., and Threadpoint, LLC, hired spammers to send millions of unsolicited texts, luring people to websites where they would get "free" gift cards. When people clicked on the links, they were sent to bogus websites to register for the prizes.



Courtesy of David Castillo Dominici, freedigitalphotos.net

The bogus sites required users to sign up for third-party offers where they had to reveal personal information. Surprise -- no one actually got the promised gift cards; the entire scheme was designed to collect people's personal information so the two companies could make money by selling it to third-parties.

More scams like this are likely, so take these precautions:

- *Delete random texts*, especially those that ask you to enter a special code, or to confirm or provide personal information by following a link to a website. These are almost **always** bogus sites that exist to access your information.
- *Never give out your personal or financial information* online. Guard your personal information as if it were cash. Don't give out your Social Security, bank account, or credit card numbers online or by phone to someone who gets in touch with you. Remember, no **legitimate** company would ever text, call or email you asking for your personal information.
- *Report spam texts to your carrier*. Copy the original message and forward it to 7726 (SPAM) free of charge, if you are an AT&T, T-Mobile, Verizon, or Sprint subscriber.

New Car -- Deal or No Deal?

This winter's weather has left many new cars on the lots and dealers are eager to make a deal and move inventory. But don't throw caution to the wind. Ads and promotions being offered by car dealers promise unusually low prices, no up-front payments, low- or no-interest loans, or low monthly payments. Others promise high trade-in allowances, free or low-cost options, or rebates. And car lease ads promising low payments and no payment at lease signing are common as well.

For the inexperienced car buyer, it can be a dream -- turned into a nightmare -- by the details hidden in the fine print!

The law requires that if a dealer advertises discounts, prices, or special low payments, the ads must clearly explain the important details of the offers and how you as a buyer, may qualify for them. But all dealers don't always fully comply and important details may be hard to find.

Be sure to shop around and compare offers from different dealers and from traditional financing sources like banks or credit unions. Ask the right questions, and make sure all promises and terms are in writing before you sign on any dotted lines. There is no 3-day right to cancel a contract to buy a car!

Questions to bring with you to the dealership:

- Do I have to pay anything — like a down-payment or taxes — that aren't included in your advertised low price?
- Does the advertised discount apply only to certain models of the vehicle? Is it available if I order a car instead of buying one off the lot?
- Do I need to have certain qualifications to get the advertised discount, low price, or credit terms?
- To get the advertised low rate financing:
 - Do I have to repay the loan in a short time period, like 36 months?
 - Does the loan need to be for a certain amount? If so, what are the financing terms for loans with higher amounts?
 - Do I have to buy special merchandise, like an extended warranty, a service contract or rustproofing?
 - Will I be charged a higher vehicle price? (The price may be lower if you paid cash or supplied your own financing from a bank or credit union.)
- Do the advertised low monthly payments apply for the entire term of the loan or do they increase after only a few months? Is a balloon payment due at the end of the loan?
- If the ad offers \$0 due at lease signing, do I still have to pay something before I drive off the lot — say, fees, taxes, a security deposit, or the first month's payment?
- Does the dealer's prize promotion mean I've won something substantial? What is it?

To learn more, check out "[Buying a New Car](http://www.consumer.ftc.gov)" at www.consumer.ftc.gov.