

PRESS RELEASE



www.IllinoisAttorneyGeneral.gov

For Immediate Release

Contact: Melissa Merz

312-814-3118

877-844-5461 (TTY)

mmerz@atg.state.il.us

February 9, 2006

**MADIGAN ANNOUNCES TOP 10 CONSUMER COMPLAINTS FOR
2005; GAS PRICE COMPLAINTS TOP LIST**

Chicago – Attorney General Lisa Madigan today announced that for the first time in the history of the Illinois Attorney General’s Top 10 Consumer Complaint list, complaints related to gasoline pricing topped the list of consumer gripes. The gasoline complaints by far topped the more traditional Top 10 categories such as home repair and automobile fraud.

Madigan released the Illinois’ 2005 Top 10 Consumer Complaint List during National Consumer Protection Week, which runs this year from February 5 to February 11.

Madigan announced that her office’s Consumer Protection Division received 26,652 consumer complaints in 2005. Of those, 3,327 complaints, or 12.5 percent, were gasoline-related issues. Credit-related issues ranked second on the list with 3,275 complaints, and construction and home improvement issues ranked third with 3,025 complaints lodged with Madigan’s office in 2005.

Madigan’s office received 10.8 percent more complaints in 2005 than it did in 2004, when 24,050 consumer complaints were received. Madigan said this increase appears to be due to the outpouring of consumer complaints received following Hurricane Katrina. In the days following Katrina, gas prices jumped as high as \$3.69. As a result of the huge price increases at the pumps, consumers flooded Madigan’s consumer fraud hotlines with more than 3,000 complaints. Before 2005, gas price issues had never reached the Top 10 list.

“Hurricane Katrina blew the rest of the consumer complaint list away, with a record number of consumers contacting our Consumer Protection Division to complain about gas price gouging in the wake of this year’s natural disaster,” Madigan said. “Overall, this list serves as a snapshot of the problems consumers faced in the marketplace in 2005 and our consumer protection priorities in the Office of the Attorney General.”

Complaints regarding gas pricing came in first on the list of Illinois consumer complaints for the first time ever. Complaints regarding gas involved: **gas pricing (3,290 complaints)**, including reports of high gas prices in the wake of natural disasters; **billing (20)**, including reports that a gas station charged more for gas than the price posted on the pump; and **quality (17)**, including reports that consumers received lower grade gas than what they purchased.

Complaints regarding credit came in second on this year's list, reflecting consumers' significant problems with collection agencies. Madigan's office received 1,451 complaints concerning the conduct of collection agencies, including complaints that agencies sought to collect against the wrong debtor or on unsubstantiated or old debts. Many complaints also involved claims that collection agencies, collecting on debts ranging from credit cards to medical bills, harassed debtors with calls to their workplaces or at inappropriate times. In the past 10 years, credit-related complaints have reached the Top 10 list each year.

This year, in addition to collection agency complaints, other credit-related complaints involved: **credit cards (976)**, including reports of problems with credit card balance transfers, reports of interest rates being higher than the consumer was quoted, and reports of double billing; **identity theft (325)**, relating to credit cards, mortgages, utilities and cell phones; **credit bureaus (175)**, including disputes over the accuracy of entries on consumers' credit files; **credit counseling (83)**, including reports of false promises to improve consumers' credit; and **credit card protection services(32)**.

Construction and home improvement fraud came in third on the 2005 list and consistently has ranked as one of the top three consumer complaints since 1984. Complaints regarding construction and home improvement in 2005 included those related to **remodeling (1,218 complaints); roofs and gutters (479); siding, windows and doors (365); new construction (189); and other construction-related complaints (774)**. Most of the complaints centered on failure to start or complete work, excessive charges and shoddy workmanship. Throughout the year, Madigan's office filed numerous lawsuits for construction and home improvement fraud, including a number of suits against companies involved in hail damage restoration.

Telecommunications complaints to Madigan's office came in fourth in 2005 and consisted of claims regarding **wireless service and cellular phones (777 complaints)**, including reports of poor reception and problems with new "bundling" service packages; **long distance service (400)**, including complaints about calling plans, general billing issues, and slamming; **local phone service and repairs (389)**, including long waits for installation or repair service, general billing issues and excessive charges for directory assistance; **Internet service providers and DSL (377)**, including companies continuing to bill after contracts are cancelled, computer rebate offers with no local Internet service and billing for long distance charges when a consumer thought a call was local; **Do Not Call (277)**, which includes reports of consumers being solicited after they have signed up for the Do Not Call List; **cable and satellite (269)**, which includes numerous complaints of poor and slow service by cable companies and satellite TV providers; and **other complaints (113)**, including spamming, cramming, pay-per call and calling cards.

In December 2005, Madigan joined 21 other state Attorneys General in reaching a settlement agreement with DirecTV to ensure that the company's marketing and advertising practices provide accurate information to consumers interested in signing up for satellite television services.

Madigan said consumers' complaints are critical because they often lead to mediation between the companies and the consumers, lawsuits filed against the fraudulent conduct, new legislation to address issues raised by the complaints,

and consumer education and outreach initiatives aimed at preventing future incidents of fraud.

In 2005, Madigan's Consumer Protection Division recovered through mediation more than \$5.6 million for consumers. In addition to mediating thousands of complaints, Madigan's office filed 57 law enforcement actions against fraudulent conduct.

The Top 10 consumer complaints of 2005 are as follows (figures do not reflect all complaints):

CATEGORY	# OF COMPLAINTS
1. Gasoline	3,327
2. Credit	3,275
3. Construction: Home Improvement	3,025
4. Telecommunications	2,602
5. Promotions and Schemes	1,767
6. Motor Vehicle: Used Auto Sales	1,448
7. Mail Order Sales	1,237
8. Financial Services	847
9. Motor Vehicle: Non-Warranty Repair	728
10. Utilities	707

In releasing the Top 10 list, Madigan noted that identity theft continues to plague Illinoisans. While her office received only 325 complaints, included in the credit-related complaints category, the FTC recently reported that it received 11,137 identity theft complaints from Illinois victims in 2005. The FTC, which is the national clearinghouse for identity theft complaints, reported identity theft complaints comprised 43 percent of all Illinois consumer complaints received in 2005 by the FTC.

In response to the growing threat of identity theft, Madigan earlier this week announced her office's new Identity Theft Hotline. Consumers statewide may now call the Identity Theft Hotline by dialing 1-866-999-5630. The TTY number is 1-877-844-5461.

For all other consumer fraud issues, consumers can visit Madigan's Web site at www.IllinoisAttorneyGeneral.gov or call one of the Consumer Fraud Hotlines:

Chicago: 1-800-386-5438 and 1-800-964-3013 (TTY)

Springfield: 1-800-243-0618 and 1-877-844-5461 (TTY)

Carbondale: 1-800-243-0607 and 1-877-675-9339 (TTY)

Spanish-language hotline: 1-866-310-8398

[Return to February 2006 Press Releases](#)