



December 14, 2009

MADIGAN CALLS FOR END OF DECEPTIVE "FREE" CREDIT REPORT ADVERTISING***Attorney General Cites Consumer Confusion Due to Popular Television Ads***

Chicago - Attorney General Lisa Madigan, joined by 42 state Attorneys General, today called on the U.S. Federal Trade Commission (FTC) to toughen restrictions against companies that advertise "free" credit reports but require consumers to purchase other products or services to access their annual report.

"The catchy commercials we've all seen about obtaining a 'free' credit report are misleading," Madigan said. "Consumers obtaining reports from those services often incur unexpected costs in order to simply access information that is available free of charge. I strongly urge the FTC to implement stricter regulations that require credit reporting services to clearly and conspicuously disclose any costs associated with obtaining a report."

Each of the nationwide consumer reporting companies-Equifax, Experian and TransUnion-must provide consumers with a free copy of their credit report upon request every 12 months as required by the federal Fair Credit Reporting Act. The Annual Credit Report Request Service, which is the free, federally-authorized service sponsored by the three national credit reporting firms, can be contacted at www.AnnualCreditReport.com or by calling toll free to 877-322-8228.

Unfortunately, however, Madigan said the her office's Identity Theft Hotline staff regularly field questions from consumers who are confused about charges that they incurred when they attempted to obtain their free credit report through other Web sites, including the popularly advertised www.freecreditreport.com that is sponsored by Experian. These so-called "free" credit report websites do not simply provide consumers with access to their annual, free credit report. Instead, these sites often automatically charge consumers for such services as credit monitoring and then give the consumers a specific amount of time, sometimes as little as seven days, in which to cancel that automatic enrollment before incurring any charges.

Madigan drafted comments to the FTC, joined by the 42 other Attorneys General, to urge the agency to require credit reporting services that advertise their own credit report offerings to include specific disclosure language in their television, radio and print ads notifying consumers of the potential charges. The comments also ask the FTC to require that these services clearly direct consumers to the Annual Credit Report Request Service for the official free report at www.AnnualCreditReport.com.

Attorney General Madigan also encouraged consumers to use the free service to obtain their credit reports annually as a proactive strategy to avoid identity theft. Consumers who have questions about their credit reports can contact Madigan's Identity Theft Hotline, 1-866-999-5630, which helps consumers learn about how to avoid identity theft and what to do in case they discover unauthorized charges or compromised financial information on their free annual credit report.

Madigan was joined in support of the FTC rule changes by the Attorneys General of the following states: Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Guam, Hawaii, Idaho, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Washington and West Virginia.

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