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ATTORNEY GENERAL MADIGAN, 49 OTHER STATES AND THE DISTRICT OF COLUMBIA ANNOUNCE \$13 MILLION SETTLEMENT WITH DIRECTV

DIRECTV Must Change its Marketing Practices and Refund Eligible Consumers Impacted by These Practices

Chicago — Attorney General Lisa Madigan today joined state attorneys general across the country to announce a \$13.25 million settlement with DIRECTV over the way its offers are marketed to consumers. Madigan said the satellite TV provider must change its marketing practices to more accurately describe promotional offers and must make refunds to eligible consumers affected by these practices in the past four years.

Madigan and the other attorneys general launched their investigation into DIRECTV after receiving numerous complaints from consumers about billing problems, programming problems and DIRECTV's practice of charging early termination fees after consumers cancelled their service. This settlement requires DIRECTV to clearly explain its offers and provide fine print details to consumers before they contract for the service.

"Consumers need to know the exact details of their contract before they sign up. This settlement requires that DIRECTV provide that information to consumers," said Attorney General Madigan. "Consumers who think DIRECTV unfairly charged them for canceling the service should file a complaint with my office to see if they are eligible for a refund."

Madigan and the other attorneys general received consumer complaints alleging that DIRECTV:

- Did not clearly disclose the price the consumer would be charged and the commitment term that the consumer would be required to keep DIRECTV services;
- Did not clearly disclose to consumers limitations on getting a certain price for DIRECTV;
- Enrolled consumers in additional contracts or contract terms without clearly disclosing the terms;
- Enrolled consumers in additional contracts when replacing defective equipment;
- Did not clearly disclose to consumers automatic renewal of a seasonal sports package; and
- Offered cash back to consumers but, instead, provided bill credits to consumers.

Under the settlement, DIRECTV must:

- Clearly disclose all material terms to consumers;
- Replace leased equipment that is defective free of charge except for shipping costs;
- Stop the practice of requiring consumers to enter into an additional contract when DIRECTV simply replaced defective equipment;
- Clearly disclose when a consumer is entering into a contract;
- Clearly notify consumers before they are obligated to pay for a seasonal sports package;
- Clearly disclose all limitations on the availability of local channels;
- Stop the practice of misrepresenting the availability of sports programming;
- Stop promising cash back when consumers actually get a bill credit; and
- Clearly notify consumers that they will be charged a cancellation or equipment fee at least 10 days before charging the fee.

Consumers with unresolved complaints already on file with DIRECTV or Madigan's office alleging that they experienced any of these unfair practices after Jan. 1, 2007 may be eligible for a refund.

Consumers can also file a complaint with DIRECTV or Madigan's office to be considered for a refund if the problem with DIRECTV occurred after Jan. 1, 2007.

Assistant Attorney General Jeffrey Feltman handled this matter for Madigan's Consumer Protection Bureau.

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