



December 4, 2014

MADIGAN ANNOUNCES \$3.8 MILLION SETTLEMENT WITH SIRIUS XM

Sirius XM to Provide Restitution for Misleading Advertising & Billing Practices

Chicago — Attorney General Lisa Madigan today joined with the attorneys general of 44 states and the District of Columbia to announce that Sirius XM Radio Inc. of New York has agreed to pay \$3.8 million and provide restitution to eligible consumers to resolve claims that the satellite radio company engaged in misleading advertising and billing practices.

Madigan and the other attorneys general alleged that Sirius XM engaged in misleading, unfair and deceptive practices in violation of state consumer protection laws. The states' investigation focused on consumer complaints involving: difficulty canceling contracts, cancellation requests that were not honored, misrepresentations that the consumer's Sirius XM service would be canceled and not renewed, contracts that were automatically renewed without consumers' notice or consent, unauthorized fees, higher and unanticipated rates after a low introductory rate, and Sirius XM failing to provide timely refunds.

Under the terms of the settlement, an Assurance of Voluntary Compliance, Sirius XM will make significant changes to its business practices. Specifically, Sirius XM agreed to:

- Clearly and conspicuously disclose all terms and conditions at the point of sale, such as billing frequency, term length, automatic renewal date, and cancellation policy.
- Make no misrepresentations about the available plans in advertisements.
- Provide advance notice via mail or email about upcoming automatic renewals for plans lasting longer than six months.
- Revise the cancellation procedures to make it easier for consumers to cancel.
- Prohibit incentive compensation for customer service representatives based solely on "saves," or retaining current customers who attempt to cancel.

"This settlement will put a stop to the numerous unfair and deceptive practices Sirius employed to overcharge customers," Madigan said.

In addition to the \$3.8 million that Sirius XM must pay the states, Sirius XM will provide restitution to eligible consumers who have complaints about the problems addressed by the agreement.

To be considered for restitution under this settlement, consumers must file a complaint by May 3, 2015, concerning Sirius XM conduct between July 28, 2008, and Dec. 4, 2014, involving an actual loss that has not been previously resolved with the Attorney General's office.

Consumers who previously complained about Sirius XM to the Attorney General's office do not need to re-file in order to be considered for restitution under this settlement.

Consumers who have not previously filed a complaint with their attorney general for the practices covered by this settlement have 150 days after the settlement's execution date to file a complaint to be considered for restitution.

Consumers who wish to file a complaint regarding Sirius XM's business practices addressed by this settlement are urged to contact Madigan's office at 1-800-243-0618 or 1-877-844-5461 (TTY) or file a complaint online on her [website](#). Consumers also can file complaints on the Sirius XM website.

Joining Madigan in today's agreement were attorneys general from the following states: Alabama, Alaska, Arkansas, Colorado, Delaware, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Texas, Utah, Virginia, Washington, West Virginia and Wisconsin. The Executive Committee consisted of attorneys general from Ohio, Arizona, Connecticut, Tennessee, Vermont and Washington, D.C.

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