



News

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BBB – Rockford Regional Office

Rockford, IL 61101

815.963.2226

815.323.8419 (cell)

815.963.0329 (fax)

www.bbb.org

Contact: Dennis Horton

BBB - Rockford Regional Office

dhorton@chicago.bbb.org

Scam Auto Warranty Sales Are Rolling Again Warns the Better Business Bureau

ROCKFORD, IL – November 15, 2016 – Scam auto warranties, they are like a bad car battery in the winter – sometimes you don't know it won't work until you need it. There is a new round of "urgent" warranty expiration letters and cards hitting the mailboxes of consumers. These cards and letters, often full of misinformation, claim immediate action is needed to prevent expiration of your cars warranty. The Better Business Bureau warns however, most often these notices are not from your car's manufacturer but are being sent by third party warranty sellers.

This is an ongoing problem; recently prompting the Federal Trade Commission to take action [against a business selling scam warranties](#); resulting in refunds of nearly \$4 million dollars to over 6,000 consumers.

"The way the car warranty scam works is after receiving the card or letter the consumer calls the business as requested. They are then talked into purchasing an "extended warranty," says Dennis Horton, director of the Rockford Regional office of the Better Business Bureau. "The problem is the warranty they purchase often turns out to be next to worthless."

"That is the case for the 79 individuals who, in the last 12 months, filed complaints with the BBB. Some of them spending from a few hundred dollars to a couple thousand," notes Horton.

Additionally, along with the bogus warranty expiration letters and cards, some scammers place calls posing as manufacturer representatives trying to hook the consumer.

What to Do

If you receive a letter, postcard or telephone call advising you that your car's express warranty is about to expire, check with the manufacturer. Don't call the number that's on any letter or postcard you receive, even if it looks like the communication is from the automaker. It could be a fake.

If your vehicle warranty has expired or is about to, don't purchase a service contract. Instead, plan ahead by buying a reliable car and maintaining it as the manufacturer recommends. Then self-insure by saving the money you otherwise would spend on a service contract and use that for any needed repairs or maintenance.

If you feel you must purchase a service contract, consider one offered by the manufacturer. Third-party contracts are notorious for fine print that excludes many types of repairs and for denying claims for anything the provider deems to be a pre-existing condition. Repairs required because of normal wear and tear also may be excluded.

Never agree to a contract for any product or service [without reading terms and conditions](#), no matter how long the company says you have to change your mind. If a salesperson pressures you to make a purchase right away, hang up.

If you are receiving phone calls you can [file a complaint with the FCC](#) about suspected scam calls. In addition to being fraudulent in nature, these calls likely violate telemarketing and robocall rules.

Report the scam to [BBB Scam Tracker](#).

To find trustworthy businesses AT NO COST and for more important consumer information visit <http://ask.bbb.org/>, also like us on [Facebook](#), follow us on [Twitter](#) and add us on [Pinterest](#).

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