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DEPARTMENT OF CONSUMER AFFAIRS (DCA) ANNOUNCES HOME IMPROVEMENT CONTRACTORS ARE THE TOP COMPLAINT FOR 2013

DCA Mediates More Than 3,750 Consumer Complaints and Secures More Than \$5.8 Million in Restitution for New Yorkers in the Past Year

The Department of Consumer Affairs (DCA) today announced home improvement contractors were the agency's top complaint in 2013. DCA received more than 530 complaints about home improvement contractors and secured almost \$3.45 million in restitution for consumers. DCA made the announcement at a press conference with the Federal Trade Commission, the Better Business Bureau and other Federal and State agencies and organizations in order to alert New York consumers to the top consumer complaints of the past year and to educate them on how to avoid becoming victims of these and other scams in 2014.

"As we all know, many more New Yorkers had to hire contractors over the past year because of Hurricane Sandy and, unfortunately, not all of them had a good experience," said First Deputy Commissioner Alba Pico. "Many contractors took advantage and performed shoddy work or left work unfinished. We encourage New Yorkers to always use a licensed home improvement contractor and if they have a bad experience, to call 311 to file a complaint with us so our mediators can help."

Among the most common complaints DCA received from consumers about home improvement contractors were poor quality of work or unfinished work, contractors taking payments and then disappearing, as well as illegally arranging financing for the job. Anyone conducting home improvement work in any of the five boroughs that costs more than \$200 must be licensed by DCA. A DCA license ensures that a background check has been performed and the consumer is backed by DCA's Home Improvement Contractor Trust Fund for up to \$20,000. There are currently 12,570 licensed home improvement contractors. Last year, DCA conducted more than 1,400 inspections of contractors in New York City and issued about 2,100 violations.

Last year, DCA received more than 3,700 consumer complaints and secured more than \$5.8 million in restitution for consumers. To file a complaint with DCA or check the license status of a business, visit [nyc.gov/consumers](http://www.nyc.gov/consumers) (link to: <http://www.nyc.gov/consumers>) or call 311. DCA's [website](#) (link to: [http://www.nyc.gov/consumers](#))

<http://www.nyc.gov/consumers>) also features *10 Things Every Consumer Should Know* and other tips, guides and videos for doing business with specific industries, including dealing with debt collectors, employment agencies, home improvement contractors, used car dealers, and more. Many guides and dozens of videos are available in multiple languages. DCA also provides a model contract that covers the breadth of a home improvement project, from materials and equipment to prices, payments and work schedules. Home improvement contractors can apply for or renew their licenses, find a model contract online in DCA's Business Toolbox. New Yorkers can also stay informed about programs, services, events and tips on how to be an educated consumer by following DCA on Twitter at [@NYCDCA](https://twitter.com/nycdca) (link to: <http://www.twitter.com/nycdca>), , visiting DCA's [Facebook](https://www.facebook.com/nycdca) (link to: <http://www.facebook.com/nycdca>) or [Instagram](https://www.instagram.com/nycdca) (link to: <http://www.instagram.com/nycdca>) pages or by watching DCA's videos on [YouTube](https://www.youtube.com/nycdca) (link to: <http://www.youtube.com/nycdca>).

DCA enforces the Consumer Protection Law and other related business laws throughout New York City. Empowering consumers and businesses to ensure a fair and vibrant marketplace, DCA licenses almost 80,000 businesses in 55 different industries. Through targeted outreach, partnerships with community and trade organizations, and informational materials, DCA educates consumers and businesses alike about their rights and responsibilities. The DCA Office of Financial Empowerment (OFE) was launched at the end of 2006 as the first local government initiative in the country with the specific mission to educate, empower, and protect individuals and families with low incomes. OFE creates innovative programs, products, and services for New Yorkers so they can build assets and make the most of their financial resources. Our goal is to increase access to high-quality, low-cost financial education and counseling; connect individuals to safe and affordable mainstream banking and products and services; improve access to income-boosting tax credits, savings, and other asset building opportunities; and enforce and improve consumer financial protections to safeguard financial stability. For more information, call 311 or visit DCA online at [nyc.gov/consumers](http://www.nyc.gov/consumers) (link to: <http://www.nyc.gov/consumers>).

Quick Tips for Hiring a Home Improvement Contractor in NYC:

- **Always use a licensed home improvement contractor and/or salesperson.** Check if your home improvement contractor and/or home improvement salesperson is licensed by calling 311 or online at [nyc.gov/consumers](http://www.nyc.gov/consumers) (link to: <http://www.nyc.gov/consumers>) and search for licensee. Persons soliciting or performing home improvement work in New York City costing more than \$200 must be licensed by DCA.
- **Get references.** Call 311 to check a contractor's complaint history with DCA and check with at least three reputable references before hiring a contractor. Also check with surrounding areas including Suffolk, Nassau and Westchester counties for

complaints.

- **Know your contract rights.**

By law, homeowners have the right to cancel any contract within **three** days, including contracts for home repair and/or improvements. Always check the contract, especially for a cancellation notice.

- **Get a written estimate.**

One of the best ways to calculate the cost of your home improvement work is to get estimates from a minimum of three contractors. Under the Home-Improvement Business Law, a home improvement contractor must provide a written estimate upon request. If a contractor charges for supplying a written estimate, you must be told the fee before an estimate is prepared.

- **Use DCA's home improvement model contract.**

Don't start work or make payments without a written contract that clearly indicates all of the specifics of the project. DCA's model contract is an easy-to-use template that covers the breadth of a home improvement project, from materials and equipment to prices, payments and work schedules. DCA's model contract is free and available online at [nyc.gov/consumers](http://www.nyc.gov/consumers) (link to: <http://www.nyc.gov/consumers>) or by calling 311. Ask for the Home Improvement Contractor license application packet.

- **Never pay cash.**

Never pay for repairs or improvements without a contract and never pay in cash. Pay no more than a quarter of the total amount upfront, up to a maximum \$15,000, to get the work started. Then continue with 'progress' payments as work continues so payments are tied to specific work progress, with final payment due when all the work is completed to your satisfaction. Be sure to keep track of all paperwork and payments.

- **Don't finance improvements or repairs through your contractor.**

It is illegal for contractors or salespeople to arrange or offer to arrange home improvement loans for you. If they attempt to do this, file a complaint immediately with DCA through 311 or online at [nyc.gov/consumers](http://www.nyc.gov/consumers) (link to: <http://www.nyc.gov/consumers>). If financing is needed for repairs or improvements, investigate reliable and legitimate options on your own at your bank or credit union of choice.

Below are the other top five complaints received by DCA in 2013. Visit [nyc.gov/consumers](http://www.nyc.gov/consumers) (link to: <http://www.nyc.gov/consumers>) for the complete guides on these industries and others.

2. DEBT COLLECTION

DCA received 500 complaints about debt collectors in 2013. To become a well informed consumer read DCA's debt collection tips:

- **All debt collection agencies that seek to collect personal or household debts from New York City residents must have a DCA license no matter where the agency is located.** To verify if a debt collection agency is licensed, call 311 or Search for a DCA Licensee online at [nyc.gov/consumers](http://www.nyc.gov/consumers) (link to: <http://www.nyc.gov/consumers>).
- **In New York, a debt collector cannot collect or attempt to collect on a payday loan.**
Payday loans are illegal in New York. A payday loan is a high-interest loan borrowed against your next paycheck. To apply for a payday loan, you need to have a checking account and proof of income. In New York State, most payday loans are handled by phone or online. If a collection agency tries to collect on a payday loan, visit [nyc.gov/consumers](http://www.nyc.gov/consumers) (link to: <http://www.nyc.gov/consumers>) or contact 311 to file a complaint with DCA.
- **A debt collector cannot contact your employer, family, friends and neighbors about the debt or discuss it with them.** A collector can only contact someone other than the consumer to locate the consumer.
- **A debt collection agency may not make false statements or threaten you.** A debt collector cannot threaten to arrest you, report the consumer to immigration authorities or claim they are marshals or sheriffs. They can also not threaten to have you evicted, take or garnish your wages, take the money from your bank account, or take your personal belongings without first obtaining a judgment against you in court.
- **Debt collectors cannot call too early, too late or too often.** In New York City, debt collectors cannot call you before 8 a.m. or after 9 p.m. They also cannot call you more than twice a week if the collector has made contact with you.
- **Debt collectors cannot lie about the amount owed.** A debt collection agency cannot claim the debt owed is greater than it is or claim a consumer owes the debt when they do not.
- **A debt collection agency must tell you if the statute of limitations for collecting the debt has expired.**
- **Beware of debt collection companies or companies working with debt collection companies that offer you a credit card if you repay, in part or in full, an old debt that may have expired.** Companies may use terms like “Fresh Start Program” or “Balance Transfer Program” to describe offers to transfer your old debt to a new credit card account after you make a certain number of payments. *If you accept the credit card offer and start making payments, the debt collection agency’s time limit (statute of limitations) for suing you to collect this debt will restart.* The company offering the credit card may not tell you that this is

a consequence of getting the credit card.

- **It is illegal for a debt collection agency to use “caller ID spoofing.”** Some debt collection agencies are using spoofed (or faked) phone numbers to disguise their identities on caller ID. For example, a debt collector may use the number of a relative or government agency to get you to answer the phone. If you get a “spoofed” call from a debt collection agency, visit nyc.gov/consumers or contact 311 to file a complaint with DCA.
- **Protect your money.** If a debt collection agency is unlicensed, fails to give you information required by law, or unlawfully threatens or harasses you, call 311 or visit nyc.gov/consumers (link to: <http://www.nyc.gov/consumers>) to file a complaint with the Department of Consumer Affairs.

3. GENERAL RETAIL (NON-FOOD)

DCA received 440 complaints about general retail businesses in 2013. To become a well informed consumer, get DCA’s new *10 Things Every Consumer Should Know* guide, which provides important tips that every consumer should know to protect their hard-earned dollars in the marketplace. The guide includes important information like checking refund policies, keeping receipts, avoiding false advertising and scams, filing a complaint and more. Download *10 Things Every Consumer Should Know* from nyc.gov/consumers (link to: <http://www.nyc.gov/consumers>) or call 311 to request a copy.

4. FURNITURE STORES

Although DCA does not license furniture stores, they must comply with the New York City Consumer Protection Law. In 2013, DCA received almost 350 complaints about furniture sales. Most consumers complain about defective or damaged goods or items that were never delivered.

Quick Tips for Shopping at Furniture Stores

- **Check the complaint history.** Before purchasing merchandise, call 311 to check the business’ complaint history.
- **Always get a receipt and save it.** All receipts must include the total amount paid, amount paid for each item including a separate line for tax, date, business name and address. The receipt cannot show a credit card’s expiration date or more than its last five digits.
- **Get a delivery date.** Secure a delivery date in writing before you leave a store. If retailers don’t specify a “ship by” date for your online purchase, they must ship within 30 days.
- **Know the refund or exchange policy.** Store can set their own refund or exchange policy but it be displayed near the register where customers can easily

read it. If there is no policy posted, the customer can return any item for 30 days and get a refund in the manner in which the purchase was paid.

5. ELECTRONIC STORES

DCA received more than 300 complaints last year about electronic sales. Electronic stores must be licensed by DCA and there are currently more than 2,700 licensed electronic stores.

Quick Tips for Shopping at Electronic Stores

- **Always shop at licensed electronic stores.** Electronics stores operating in New York City must be licensed by DCA and they must post their license in a place where you can easily see it (e.g., near cash register). Check if an electronics store is licensed by calling 311 or visiting [nyc.gov/consumers](http://www.nyc.gov/consumers) (link to: <http://www.nyc.gov/consumers>).
- **Request an itemized receipt and examine it closely for hidden charges. Also look at the item's packaging.** Many times an electronics store might advertise a low price but take out parts of the item and try to resell them to you at a higher price, making the total package an expensive purchase.
- **Look for the store's refund policy, which must be posted.** Some electronics stores may charge a "restocking" fee for returns.
- **Shop around and do some research on pricing before making a purchase.** If you know how much an item generally sells for, you will know if something looks expensive or is a good deal.
- **Inspect the item before purchasing.** An item may look new, but it could be used or rebuilt. Any product that has been used must be marked "used," "floor model," "rebuilt," or "refurbished."
- **Avoid buying extra warranties that may not give you anything that isn't already covered by the manufacturer's and retailer's warranties.**
- **Be sure to ask the retailer if any written warranties already come with the product and review the terms before agreeing to pay for additional warranties being offered through a service contract.** If there is no written warranty from the manufacturer, you may be dealing with a "grey market" item, which means it was not intended for sale in this country and is not covered by a manufacturer's warranty.
- **Avoid bait and switch.** Stores must supply what they advertise, at the advertised price. Beware if a salesperson tries to talk you into buying something else.