

CONSUMER COMPLAINT GUIDE 1975

JOSEPH ROSENBLOOM

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Introduction

The consumer is up in arms . . . and rightly so. No longer will he, nor indeed should he, put up with substandard quality or poor service.

Because each and every one of us is a consumer, protecting the consumer really amounts to protecting each and every one of us. Government on all levels is gradually coming to recognize this fact of modern life. New consumer agencies are being set up all across the country and old ones are being strengthened. The body of laws and regulations seeking to protect the consumer is growing in strength and coverage. Business, too, is learning to listen to the voice of the consumer with a more attentive ear. A reputation for shoddy workmanship or poor service will soon hit any business where it really hurts—in sales and profits. More and more the concept that fairness to the consumer is a social—even moral—responsibility is taking firm hold on the business community.

As consumers grow more aware of their rights to fair value for money spent, particularly in this age of skyrocketing prices, there is a need for information to aid the consumer in finding the right person or agency to help with his particular consumer problem. The purpose of this book is to provide a ready, single source of such information.

Part I, "The Consumer in the Marketplace," offers some advice for the buyer to consider prior to making a purchase. Part II, "How and to Whom to Complain," discusses how to make a consumer complaint, and how to find the right person or agency for help. Part III, "Who's Who in the Marketplace," lists companies engaged in providing consumer products or services. A responsible executive of the company is given because, as experience has shown, going directly to the top is the best way to get quick and effective results.

While every effort has been made to provide accurate and up-to-date information, human error cannot be avoided in view of the enormous number of facts involved. It is hoped that subsequent editions will remedy such deficiencies as may inadvertently occur.

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The Consumer in the Marketplace

1. The New Consumerism

When the world was simpler there were two kinds of businessmen: the dishonest one, who made money any way he could, and the honest businessman, who felt a sense of personal responsibility for anything he made or sold. The dishonest businessman has not changed over the years. He has not had to. His tactics, past and present, rely on a keen understanding of the weaknesses of human nature. This nature remains constant. But the honest businessman has changed because the world has changed. We inhabit a more complex, a faster-moving, an ever-more depersonalized world.

Modern manufacturing and distribution methods make it impossible for any single individual to assume total responsibility for consumer satisfaction. In contrast, the small store owner of the past knew his customers well. He expected to see them regularly. Consumer problems were to be settled quickly in a direct, personal way. Similarly, it was possible for the owner of a small factory to know what each of his workers was doing. Impossible today. Factories employing thousands of workers have replaced the small factory as the main source of the products we use. The store chain and the department store have all but displaced the local store. The family farm is rapidly being phased out as the primary source of our food supplies by agribusiness. And that crowning insult of all, the computer, has reduced us to mere numbers.

What makes the continued growth of larger service and manufacturing units inevitable is that while bigness itself is not necessarily good, it is certainly more economical. Large factories mean lower unit-production costs. Distribution through sales outlets scattered throughout

the country is the best way to efficiently put the production of our factories into the hands of as many consumers as possible. The president of a company can no longer assume personal responsibility for the activities going on within his company. In order to function efficiently the modern corporation must assume a chain-of-command structure. At each level the employee knows only that part of the total picture which concerns him. There is a tendency for each level to become sealed off from the others. Thus, the person on top knows only in broad detail what goes on at the bottom. Once-possible "personal responsibility" has been replaced by "corporate responsibility."

The modern consumer has also undergone a profound change. Walk? No, take the car. Cook? Why bother? Merely thaw and heat dinner. Our homes are stuffed with gadgets to perform tasks at our bidding. These machines certainly make our lives easier and more pleasant, but we have grown almost totally dependent on them. This dependence deeply affects our inner life. Consuming is no longer incidental to a life-style; now it has *become* a life-style. Our self esteem, the measure of how we gauge our very worth, is judged not by what we are, but by how much we consume or can afford to consume. Personal growth is measured by the periodic acquisition of new consumer products and the replacement of old ones by still newer ones. To make sure we are aware of new consumer products or services, we are bombarded with advertising through every medium of information or entertainment. Instead of being the masters, we are becoming the slaves of the things we buy and consume.

Once having set in motion a perpetual need for more and newer things, the business world then proceeds in earnest to satisfy these needs. New sources of raw materials, in ever-decreasing supply, must be found. Our landscape is ribboned with macadam and concrete for the transportation of goods and people. Belching smokestacks disgorge their fumes into a once-blue sky. Our waters become dumping grounds for industrial and human wastes. The earth is scarred and laid bare by the holes we dig. The ever-growing demands of consumers and industry threaten to leave behind an exhausted, polluted earth to future generations.

The enormous productive capacity of our economy also has direct relevance to our health and welfare. An oversight in the engineering department of more than one manufacturer has led to the recall of hundreds of thousands of cars because of the potential danger to the public-at-large. To a large extent our nutrition depends on what food

companies put in or leave out of our foods. Thousands of people have suffered illness and/or death because of improper labeling of dangerous substances. Harmful chemicals in our common household preparations have had incalculable effects on humans and on the environment. Clearly, the producers of consumer goods have a great impact on, and therefore a great responsibility for, the health and welfare of all of us.

The voices of the new consumerism, as expressed most forcibly by Ralph Nader and his associates, view the current state of affairs with undisguised alarm. If our psyches, our health, and even the earth itself are at the mercy of the profit motive, if there is a conflict between profit and the public welfare, which has the higher priority? The new consumerism argues that the profit motive alone, without the bettering influence of broad social concern, has a capacity to wreak irreversible damage to the environment and to human life.

The profit motive is not to be discarded in its entirety. The greatest consumer economies in the world, including our own, have developed precisely where the profit motive has been allowed to function in relative freedom. All the new consumerism is saying is that a sense of social responsibility must be interwoven with the drive for profit. The two need not be incompatible.

Since there is no assurance that all businessmen in every instance will accept these social responsibilities, it is incumbent on federal, state, and local governments to enforce standards of responsibility. If the primary duty of government is to protect its citizens, then consumer protection—in the broad sense—is a governmental obligation. However, to the degree the business community polices itself and accepts its share of responsibility, government intervention is neither necessary nor desirable. Many companies, on their own initiative, are providing high-level executives to man consumer complaint departments. Still other companies have extensive consumer service programs designed to ensure that consumers receive satisfactory performance from company products and services.

This is not to suggest that the record of the larger corporations is anywhere near perfect in the area of consumer protection, or that it is moving fast enough towards a greater sensitivity to social concerns. Some corporations feel that consumers are not usually qualified to speak out against corporate irresponsibility, and are not sufficiently knowledgeable about the intricacies of industrial production and management.

The new consumerism argues that if the business community will not assume its proper share of social responsibility, then government

must intervene in the public interest. What remains an open question is the degree to which government involvement is desirable. Only a tiny minority is content with the protection afforded the consumer by existing consumer agencies. Most people feel it is desirable and necessary that government do more. The considerable and growing consumer protection activities undertaken by government on all levels are a response to this majority view.

Should we develop our state and local consumer agencies, or do we rely more heavily on federal intervention? This is an arguable matter. Judging by past history, with the exception of a handful of states, state and local protection agencies have not done a satisfactory job. State and local government cannot do the job primarily because much commerce is interstate in nature. One state has no jurisdiction over what another state does, except through a rare act of reciprocity. On the other hand, considered as a whole, federal government has not done too well by the consumer either. Consumer advocates have gone so far as to urge a federal consumer agency with a single, unified responsibility for consumer affairs to replace the present patchwork of agencies with their overlapping functions. However, such an agency would require an enormous staff, a huge budget, and wield frightening Gestapo-like powers.

In sum, to the degree that the business world fails to discharge its social responsibilities to consumers, government intervention has proved necessary; to the degree that state and local agencies have failed consumers within their jurisdictions, and bearing in mind the interstate character of a great deal of commerce, intervention by the federal government has come about.

Either view—no intervention by government at all, or total intervention by government—are unacceptable extremes. The present arrangement, which combines selective government intervention with private responsibility, is the most satisfactory. The existing system is not perfect, by any means. There have been, and there will continue to be, disputes over the relative assignment of consumer responsibility between industry and government. However, the consumer need not be caught in the middle of this ongoing argument. The more government threatens intervention, the more likely industry will be to police itself in consumer matters. The more private industry provides consumer satisfaction, the less pressure will be exerted by the public for governmental intervention. This rivalry between government and industry is a good thing; it keeps both protagonists on their toes trying to please the consumer. The consumer stands to gain in this process.

The present system of selective intervention by government is a system flexible enough to allow for change. In the last 50 years consumer responsibility, on the part of both industry and government, has grown from a virtually negligible idea into one of high economic and social importance. The very flexibility of the system gives us hope that progress will continue into the indefinite future. One of the most significant factors in the progress of consumerism is public pressure and the activities of individual, vocal consumer advocates. The demand for consumer protection is growing louder. Both government and industry are being forced to listen better.

2. Buyer Beware!

“An Ounce of Prevention . . .”

Most businessmen are honest; only a few are not. In this, one of the greatest consumer economies in the world, it is inevitable that, while few in number, the snake oil salesman is still in our midst. Prevention being the best medicine, details of his frauds cannot be repeated often enough. Now, for a quick course in how to recognize a swindle.

The dishonest seller succeeds because he knows one thing: the average person cannot resist the lure of a bargain. The seller has but to set the stage and the unwary is hooked. Details vary from case to case, ranging from the carnival man who is happy to sell a jar of cold cream possessing “magical” properties for 50 cents, to the multi-million dollar stock market fraud, but they all have the same thing in common—a dishonest seller out to make an easy dollar plus a buyer who thinks he is going to get something for nothing. In this respect the consumer is his own worst enemy. So if you hear anyone making remarks like the following, be on your toes:

- “Buy now or lose the chance . . .”
- “You have been specially selected . . .”
- “It’s only a legal form . . .”
- “Just a few easy lessons . . .”
- “You can save up to . . .”
- “Yours absolutely free . . .”

Consider some of the ways the unsuspecting consumer may end up being separated from his hard-earned money.

Bait and Switch

The plot is simple. An ad appears in the local paper which reads: "FANTASTIC SALE. Overstock of brand new sewing machines. Only \$19.00 with this ad." To someone looking for an inexpensive sewing machine, this sounds too good to be true. So, you hurry down to the store. You show the salesman the ad and he leads you to the sewing machine. You are disappointed by its looks. You are also told the machine is not guaranteed and that parts are no longer available. The salesman then directs your attention to another machine, also on sale. The price? A mere \$89.95. With the disappointment of the \$19 machine still fresh in your mind, you are more interested in the costlier machine than you normally might have been. A deal is quickly made. A "deal" all right—you've spent more money than you had intended to, and you have done business with a store you probably know nothing about.

The price in the ad is the "bait." It is used to lure the customer into the store. It is not really the item for sale, just a come-on. The "switch" occurs when the bait item is downgraded in order to switch you to a more expensive item. "Bait and switch" is fraudulent and illegal. This doesn't stop dishonest merchants from trying the scheme on unsuspecting customers time and again. Unfortunately, it works only too well.

The practice of using a "price leader" should be distinguished from the "bait and switch" technique. Sometimes you will read or hear of merchandise offered at an exceptionally low price. This low price, the "price leader," is offered by the merchant to get you into his store in the hope that you will buy other merchandise in addition to the "special." If you buy the item, you can often save money. The item being offered for sale is genuinely for sale, whereas in "bait and switch" the item is not intended for sale. The real intention in "bait and switch" is to get you to buy something else, generally a more expensive item. If you shop where a "price leader" is used, no pressure is exerted to have you buy anything else. The distinction between the two techniques should be clearly kept in mind. It will help you to be on guard against the dishonest merchant, as well as allow you to make a good buy in shopping an honest merchant.

Referral Schemes

Here is another costly and not very amusing drama. A gentleman appears at your door and explains he is making a survey on TV advertising. He asks you a few questions about TV programs and their sponsors. You are familiar with many of the programs, but you cannot name the sponsors. The gentleman says this is true of most people, and this is why his company has decided to use another form of advertising. He goes to his car and returns with a new vacuum cleaner. You do not recognize the brand. The gentleman explains that this doesn't matter; it is a fine machine nonetheless. Instead of spending money on national advertising, his company prefers to give a select few customers an opportunity to own this vacuum cleaner for very little or even nothing. All you do is to show it in your own home to friends and acquaintances. For every person who sees your vacuum cleaner and later decides to buy one, you will receive a \$25 commission. Since the vacuum cleaner costs \$100, you need only four sales, and the machine is yours absolutely free! He calls this a "referral sale," and nothing sounds simpler. Of course, you will have to buy the machine at the full price of \$100, but you think about the \$25 credit for each sale against the full price. Here is a once-in-a-lifetime opportunity to buy a vacuum cleaner for little, perhaps for nothing. So you sign the contract to buy then and there. The nice gentleman leaves. You call your friends and acquaintances. They come to your home but refuse to consider purchasing the vacuum cleaner. Soon you realize that the price of the vacuum cleaner is higher than one would pay for it in the stores. You are stuck and embarrassed. A bargain? Where?

"Congratulations!"

You receive a phone call and a pleasant, confident voice asks you to name the first president of the United States. You guess right. "Congratulations! You have just won a \$200 discount towards the purchase of a brand new automobile at XYZ Motors." You never won a contest before and you are very pleased with yourself. You hurry to the showroom to take advantage of your winnings.

Sounds silly, doesn't it? Yet thousands of unsuspecting consumers fall for such phony contests. It is vanity and greed, pure and simple,

which too often blinds the judgment of even the sophisticated consumer. The dead giveaway in all these phony contests is that somewhere along the line the "winner" has to make a substantial purchase. You haven't won a thing.

Home-Work Schemes

House-bound people are often quite desperate for ways to earn extra income. You may be such a person, and so when you come across an advertisement explaining how you can turn your spare hours into bundles of cash with "no trouble at all," you are interested. The company in the advertisement promises to buy all the sweaters you can make using their knitting machines for \$6 a sweater, the cost of the material being only \$1 apiece. Since the sweaters take an average of one hour to make (or so the advertiser claims), here is a perfect way to earn extra income. You decide to write to the company for further information. The knitting machine turns out to cost \$240. Well, at a profit of \$5 for each sweater, the machine will be paid off in no time. The money is sent in and the machine comes. You begin to work. The machine jams, rips thread, needs constant fixing. Even those few sweaters you do turn out are rejected by the company for failure to meet "standards." Later you discover that a comparable machine sells for one-half the price in a reputable store. You cannot return the knitting machine because it has been ruined by use; the cost of sending it back would be too high in any case. You are out \$240 because you were lured by an advertisement which promised to show you how to make money the "easy way." Beware of any and all quick-rich schemes.

The Missing Heir

Recently, thousands of families across the nation named Kelly received legal-appearing documents offering to provide information which could aid them in establishing a claim to an estate of more than \$50,000 left by a Mary Kelly. While the cost of this information was \$10, thousands of persons thought it might be worth the gamble, and felt there must be a valid reason for the offer. Every Kelly listed in certain telephone books received this "impressive" offer.

This is a typical "missing heir" scheme. Although the cost of these worthless papers usually ranges from about \$6 to \$12, thousands of families have been defrauded before such rackets could be stopped.

"Your House Is About To Blow Up!"

One of the prime targets of the con-artist is the older person. Subject to greater fears than most, the senior citizen is an easy mark for a fast talker. A typical scheme might see a man come to the older person's home with the offer of a free boiler inspection. Since the offer is free, and since the boiler has not been inspected recently, the "inspector" is led to the basement. The man begins to examine the boiler and soon discovers some cracks. "Unless the entire boiler is replaced immediately it could go up at any moment", he says. He presents a newspaper clipping about a boiler which blew up, causing extensive property damage, in a nearby community. The "evidence" of imminent explosion might be only paint cracks, but to the older person, prey to aggravated fears about the safety of his home, this is all he needs to promptly sign a contract. Only later, with more time to think it over, does he realize he was duped. He should have checked with a reputable boiler inspection company before agreeing to have the boiler replaced at a not inconsiderable sum of money. It is a sorry tale but one often heard these days. Living on a fixed income, the older person can ill afford to spend his meager savings needlessly.

Vocational and "Civil-Service" Schools

Vocational education schools, resident or correspondence, can be valuable in helping to acquire better skills and better jobs. However, there has been a recent flurry of criticism against the practices of too many such schools for promising students more than they can deliver. Sometimes these schools employ misleading or false advertising to attract students. Some schools offer training programs that employers themselves prefer to give. Others train students for jobs that are not available. Still others provide training that is useless in terms of training for a job. The most common complaint is that promises for placement after graduation are not fulfilled. Before you make a heavy investment in time and money, it pays to ask prospective employers about a particular vocational school. The questions are:

- Would you hire graduates of the school?
- How many have you hired in the last year?
- Were they hired because of school training?
- Did training make any difference in starting salary?

Only after you have received satisfactory answers to these questions should you consider enrolling yourself in the school or course.

Another source of disappointment to persons looking to improve their working lot, is the so-called "civil-service" school. If you are interested in working for the federal government, you can get free information from the Federal Job Information Centers in 65 major cities across the nation and in Puerto Rico. Or you may write to the Federal Job Information Center, 1900 E St., N.W., Washington, D.C. 20415. You can obtain application forms and information on educational requirements and standards to be met for each job classification. Sample examination questions are usually available to help you prepare for the examination. Then you must take a civil-service examination for the kind of job you want.

The so-called "civil-service" schools prey upon the ignorant and unwary, selling correspondence or residential courses of dubious value. Some salesmen for the schools claim that they are agents of the federal government on a recruiting trip. Others may claim that their school is the only one recognized by the federal government. To protect yourself and others, you should remember:

- No civil-service school is connected with the Civil Service Commission or any other federal agency.
- No employees of the Civil Service Commission sell courses; the Commission does not conduct such courses.
- No special civil-service course is required before applying for a job with the government.
- No fee is necessary to take civil-service exams.
- No school can properly promise a person he will pass a civil-service examination or get a government job.
- No civil-service school or study course has been endorsed by the Civil Service Commission.
- No school receives special information about examinations or job openings.

Report any suspected violations to the Civil Service Commission, 1900 E Street, N.W., Washington, D.C. 20415. You may not only be helping yourself but also others who may have been taken in by phony "civil-service" schools.

A Question of Semantics

Advertising at its best is a means of conveying information about products and services. In its least commendable forms, advertising dispenses with the need for communicating solid information and either conveys misleading information, or no information at all. Here are some familiar come-on phrases:

- “For a limited time only” How limited is limited?
- “Like new” How used must something be to be like new?
- “We sell for less” Less than whom?
- “70% off” Seventy percent off what price?
- “Twice as strong” Twice as strong as what?
- “Lowest prices in town” How do you prove it?
- “Going out of business” For thirty years?

More than semantic nonsense, these are examples of deception in advertising. They represent frauds which seldom land people in jail, but they are frauds nonetheless.

From all we have said about fraud in the marketplace, must one conclude that it is no more than a jungle? Definitely not. Remember, *the overwhelming majority of businessmen are honest*. The fraudulent businessman is as harmful to the legitimate businessman as he is to the consumer. There are real bargains to be had, and it would be foolish to pass these up.

Most of the time the consumer receives fair value for his money, but so long as the urge to grab something for nothing blinds common sense, there will be dishonest men staying up nights figuring out new ways (or variations of old ways) to dip into the consumer's pocket-book.

The negative has been emphasized here in order to make the consumer aware of the part he plays, without realizing it, in making dishonest dealings possible. It takes two to conclude every shady deal. The ounce of prevention the consumer can best take in the marketplace is to resist his own impulses. A few helpful guides to follow are:

- Beware of unrealistic bargains, especially the offer of something for nothing.
- Shop around, compare.
- Don't buy for price alone. Does the price, for example, include servicing, delivery charges, etc.?
- Take your time before signing anything.