

HOME ECONOMICS

GUIDE



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Lodging Consumer Complaints

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At one time or another, almost all of us have suffered from a consumer purchase problem.

- A new car periodically makes a loud engine noise. Even though you have taken it to the repair shop three times, it still makes the noise.
- A freezer is not cold enough to keep ice cream frozen.
- You ordered a navy blue chair from sample floor models. The chair that is delivered several weeks later is aqua.
- You have heard nothing from a claim you turned in to your insurance agent three months ago.
- You order a book from a California firm through the mail for \$10.95. The check is cashed but the book never arrives.

Start at the Local Level

The first step in resolving a consumer complaint is to contact the person who sold you the product or service. If that person does not have the authority to resolve the problem, ask to speak to someone who does have the authority. Often the manager or assistant manager can handle problems most efficiently at the local level.

Most problems can be solved at this level simply by communicating the problem clearly. Explain the problem fully and be firm. "The freezer you delivered last Tuesday won't keep ice cream frozen." "I selected a blue chair, yet an aqua chair was delivered. The color is unacceptable." Angry personal, verbal attacks accomplish nothing, however.

Have all supporting material such as sales slips and guarantees available.

Suggest an acceptable solution to the problem. "I want the freezer repaired or replaced today to avoid having the food in the freezer

spoil." "The color of the chair is unacceptable. Please pick it up as soon as possible and refund my money or replace it with one the correct color."

Letters

Some consumers may not feel comfortable communicating the problem in person to the retailer, or the retailer may be too far away to contact in person. In such cases, consumers may be more persuasive and feel more comfortable sending a carefully constructed letter.

An effective letter of complaint should contain the following information:

- A complete description of the problem, product numbers and date of purchase.
- A description of what happened at the local level if and when a complaint was made.
- A statement of what you would consider reasonable to resolve the problem.
- The action intended if satisfactory redress is not obtained.
- And a reasonable deadline for them to respond to your letter (3 weeks is reasonable).
- Instructions on how to contact you with a response.
- Copies of relevant documents (keep originals).
- Indication that copies of the letter are being sent to higher offices in the company and/or government offices (be sure to keep a copy for your files, too).

If you send the letter by certified mail with a return receipt requested, you will be able to prove the letter was received by the company. If the company receives the letter, does nothing to solve the problem, and further claims no knowledge of it, this receipt could be helpful in court.

What Next?

The majority of consumer problems can be resolved at the local level with a store visit or letter. However, if communications break down or the problem is not resolved, you may want to consider continuing to seek satisfaction. Weigh

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the cost of your time and energy pursuing the complaint against the loss resulting from an unsatisfactory product or service. Is it economically worth pursuing? Or, do you want to pursue the problem out of a sense of public responsibility to try and improve market practices? If your answer is yes to either question, there are a number of effective avenues you may want to consider.

Contact the Manufacturer

If redress has not been obtained from the retailer, the next step in effective consumer complaining is to inform the manufacturer of your dissatisfaction. Many companies have established departments of consumer affairs and urge consumers to contact these departments if they have a problem or complaint. Some departments are staffed with personnel who are fully trained to handle complaints quickly and fairly.

However, more effective service can often be found by directly contacting the president of the company. It is the president's responsibility to insure customer satisfaction with the company's products and services, and he is often appreciative of knowing about problems that have arisen. The president is able to extend more than the usual restitution dictated by policy, if circumstances warrant such an exception.

You may wish to telephone the company president or consumer representative (if there is no toll-free number, consider calling collect) to initially explain the problem. Be sure to find out to whom you are speaking, and if that person cannot offer you satisfactory redress, ask the name and telephone number of the person within the company who has that authority. Conduct all your future dealings with that person.

Media Assistance

Many newspapers and radio stations will help with consumer problems. There are several names for this type of service; many are called "Action Line" or "Call for Action." Although these services are so popular that it is virtually impossible for them to handle every complaint, the settlement rate is generally good.

If you are interested in pursuing this route, contact local newspapers and radio stations to see if the service is offered. Copies of all previous correspondence should be sent along with the request for assistance, which should also include a description of any personal contacts you had with the seller.

Public Remedies

There are a number of government offices in Missouri that may assist in resolving consumer complaints. When a consumer believes his or her

complaint involves an illegal act on the part of a seller, then a government agency is a highly appropriate channel for seeking redress after an effort has been made to obtain satisfaction from the seller, either in person or by mail.

To act upon the complaint, the agency will need copies of all your previous correspondence with both the local retailer and the manufacturer. The state agencies also may have their own forms which will need to be completed. You might also check with your local city or county attorney or prosecutor, Chamber of Commerce, or Better Business Bureaus. In some areas they will be of assistance in settling consumer complaints.

State Agencies

1. **Office of the Attorney General** handles complaints involving fraud, misrepresentation and deception in the sale or advertisement of goods or services.

(mailing address)

CONSUMER PROTECTION DIVISION
P.O. Box 899
Jefferson City, MO 65102

(office location)

101 Adams Street
Jefferson City, MO 65101
314-751-2616 or toll-free: 1-800-392-8222

Kansas City branch office:
615 E. 13th Street
Kansas City, MO 64106
816-274-6686

St. Louis branch office:
111 N. 7th, Suite 903
St. Louis, MO 63101
314-444-6815

2. **Missouri Department of Consumer Affairs, Regulation and Licensing**, handles consumer complaints not involving fraud.

a. Regulates industry as specified by law; distributes consumer information on such things as insurance, small claims court, auto repair and credit.

MISSOURI CONSUMER
INFORMATION CENTER
P.O. Box 1157
Jefferson City, MO 65102
314-751-4996 or 314-751-4962

b. Handles complaints against insurance companies, agents and/or brokers.

MISSOURI DIVISION OF
INSURANCE
515 E. High Street
Jefferson City, MO 65101
314-751-2640

- c. Reviews complaints against licensed professionals.

MISSOURI DIVISION OF
PROFESSIONAL REGISTRATION
3523 N. Ten Mile Drive
Jefferson City, MO 65101
314-751-2334

- d. Regulates all privately owned utilities in the state, including gas, electric, water, sewer and telephone.

MISSOURI PUBLIC SERVICE
COMMISSION (PSC)
P.O. Box 360, Jefferson State Office Bldg.
Jefferson City, MO 65102
314-751-4308 (Consumer Services Section)
Toll free: 1-800-392-4211

- e. Handles complaints on mobile homes manufactured after January 1974, and oversees construction standards for mobile homes.

MISSOURI PUBLIC SERVICE
COMMISSION
Mobile Homes Division
P.O. Box 360
Jefferson City, MO 65102
314-751-2557

- f. Regulates state banks and small loan companies. Enforces Missouri's usury laws.

MISSOURI DIVISION OF FINANCE
515 E. High Street
Jefferson City, MO 65101
314-751-3463

- g. Regulates state credit unions.

MISSOURI DIVISION OF CREDIT
UNIONS
911-B Leslie Boulevard
Jefferson City, MO 65101
314-751-3419

- h. Regulates state savings and loan associations.

MISSOURI DIVISION OF SAVINGS & LOAN
SUPERVISION
308 E. High Street
Jefferson City, MO 65101
314-751-4243

- i. Handles complaints concerning discrimination.

MISSOURI HUMAN RIGHTS
COMMISSION
P.O. Box 1129
Jefferson City, MO 65101
314-751-3597

3. **Office of the Lieutenant Governor** has a consumer hotline dealing with consumer prob-

lems and business problems related to government agencies.

OFFICE OF LIEUTENANT GOVERNOR
P.O. Box 563
Jefferson City, MO 65102
314-751-2421

Federal Agencies Serving Missouri

1. **FEDERAL TRADE COMMISSION**
Notify if encountering deceptive trade practices.
Chicago Regional Office
55 E. Monroe Street
Chicago, IL 60603
312-353-4423
2. **FOOD AND DRUG ADMINISTRATION**
Notify if encountering problems with impure or unsafe foods, drugs, or cosmetics.
1114 Market Street
St. Louis, MO 63101
314-425-4137
or
1009 Cherry Street
Kansas City, MO 64106
816-374-5623
3. **CONSUMER PRODUCT SAFETY COMMISSION**
Notify if encountering problems with dangerous or unsafe products.
1009 Cherry
Kansas City, MO 64106
816-374-2034
4. **FEDERAL INFORMATION CENTERS**
The federal government has established federal information centers across the nation. You can call to ask questions about any federal program or agency. The federal information centers can help you determine which federal agency has jurisdiction in specific areas.
Following are telephone numbers for the Federal Information Centers in Missouri:
Kansas City 816-374-2466
St. Louis 314-425-4106
5. **OFFICE OF CONSUMER AFFAIRS**
Office headed by the Special Assistant to the President for Consumer Affairs.
Executive Office of the President
The White House
Washington, D.C.

Other Remedies

Small Claims Court

The purpose of Small Claims Court is to resolve disputes quickly, informally, and with little cost. You are limited to recovering \$1000 plus court costs and interest in Small Claims Court. For a small filing fee (\$5-\$10), the case is heard before a judge who will usually give an immediate judgment. It is not necessary to have an attorney present. For more details, contact the local circuit clerk.

Other Legal Redress

For the complaining consumer, the threat of lawsuit is all advantage, whereas an actual lawsuit tends to be all disadvantage.¹ One may file a civil suit against the retailer or manufacturer. Most consumers will find the cost to be a barrier. In consumer damage cases, generally the consumer pays for his or her own legal costs if he or she wins, and for both his/her own and the seller's court costs if he/she loses.²

Better Business Bureau

The Better Business Bureau (BBB), supported by local business establishments, may also help with a complaint matter if no satisfaction has been obtained by the consumer at the local level. You may also call for information concerning the reputation of a particular business. There are 3 BBB's in Missouri. The one located nearest the seller should be contacted.

BETTER BUSINESS BUREAU OF GREATER
KANSAS CITY, INC.

906 Grand Avenue
Kansas City, MO 64106
816-421-7800

BETTER BUSINESS BUREAU OF GREATER ST.
LOUIS, INC.

915 Olive Street
St. Louis, MO 63101
Inquiries: 314-241-3100

BETTER BUSINESS BUREAU OF SOUTHWEST
MISSOURI, INC.

P.O. Box 4331, Glenstone Station
Springfield, MO 65804
417-862-9231

Industry Associations

The past few years have seen a number of industry-sponsored associations with complaint-handling functions. The range of effectiveness varies from merely forwarding a complaint to the

offending company to actually arbitrating an agreement between the company and the buyer. The associations will generally only accept those complaints which consumers have first tried to resolve at the local level.

Consult your local library's reference section for names and addresses of these associations.

Legislative Protections

A number of federal consumer protection laws may help the consumer who is withholding payment.

Contact the area family economics and management extension specialist for further information about these and other laws which may be relevant to a specific situation. The following is a brief description of some of the rights and protections these laws afford.

Fair Credit Reporting. a) If the consumer withholds payment causing an unfavorable report to be entered into the individual's credit rating file, a statement by the consumer explaining the circumstances regarding the withheld payment can also be entered into the file. b) If a billing error has been made by a credit card company, the consumer may withhold payment for the amount in dispute while the error is investigated.

Fair Debt Collection Practices. This law regulates the types of activities in which a debt collection agency may engage, severely limiting the harassment techniques that might be used against consumers.

Defense Against Third Party Creditors (Repeal of "Holder in Due Course" Doctrine). If a consumer has a complaint against a retailer who has sold the installment credit contract to a third party (such as a bank), the consumer may withhold payment to the third party while the complaint is investigated.

Warranty Protection. If a seller refuses to honor a product warranty, the consumer may be protected against a suit for withholding payment while the complaint is investigated.

Unordered Merchandise. If a consumer receives unordered merchandise through the mail it is considered a gift and payment does not have to be made.

References

- Help! The Indispensable Almanac of Consumer Information*, Arthur E. Rowse, Editor, Everest House, New York, 1980.
Rosenbloom, Joseph. *Consumer Complaint Guide*, Macmillan Publishing Company, New York, 1978.
Maynes, E. Scott. *Decision Making for Consumers*, Macmillan Publishing Company, New York, 1976.

This guide is a revision of work originally written by Karen Stein.

¹Maynes, p. 221

²Maynes, p. 222