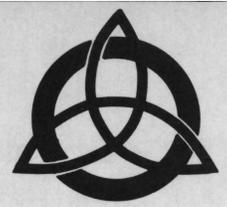


# HOME ECONOMICS GUIDE



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## Lodging Consumer Complaints

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Have events like these happened to you?

You drive several miles to purchase a product advertised on sale, but when you arrive the store no longer has the product in stock.

Your new clothing purchase tears at the seams after one washing.

You stay home for two days waiting for the appliance repairperson to arrive; then, your newly repaired appliance breaks down again a week later.

If you have had a similar experience, you're not alone. A poll commissioned by Sentry Insurance Co. published in 1977 reported that 63 percent of the people surveyed wanted to complain about a product or service purchased in the past year. Forty-seven percent actually did complain.<sup>1</sup>

Federal surveys have found that 73 percent of those with problems actively sought redress.<sup>2</sup> We have no way of knowing how many of those complaints were satisfactorily resolved. However, there is a science to effective complaint-making. Those consumers who approach the process efficiently will be more likely to find satisfactory results.

### Start at the Local Level

The primary rule in resolving any consumer complaint is to start seeking redress locally and, if necessary, work up to the national level. Thus, the first step is to contact the local establishment which sold the product or service.

If possible, deal with the same person who aided you in the original purchase as that person may feel more inclined to treat you fairly. Explain the problem fully; be firm and not apologetic. Have all supporting materials such as sales slips and guarantees available.

The salesperson may be unable to give you satisfaction. In this case, ask to speak to the manager. Explain that unless the matter is reasonably resolved, you also

intend to speak to the owner or district manager. The majority of consumers need not pursue the complaint any further than this local level.

However, if satisfaction is not obtained, the consumer must make a decision as to whether to continue to seek redress. Some may face a substantial economic loss if some form of restitution is not obtained. Others may feel that the time and energy that would need to be spent in pursuing the complaint is worth more than the loss resulting from an unsatisfactory product or service. Still others may pursue the complaint out of a sense of public responsibility feeling that businesses will not change unsatisfactory practices or products unless they are aware of consumer dissatisfaction.

### 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 who you are speaking to, and if that person cannot offer you satisfactory redress, ask the name of the person within the company who has that authority. Have all your future dealings with that person.

## The Letter of Complaint

A telephone call will only be effective if it is backed by a letter written immediately after the call. Names and addresses of companies and their presidents may be obtained from *Standard and Poor's Annual Directory* which is available in most public libraries. Your family economics and management extension specialist may also be able to help.

An effective letter of complaint should contain the following information:

- A complete description of the problem, including product model and serial numbers, if applicable;
- The name and address of the local establishment which sold the product or service;
- A description of the treatment received at the local establishment when the complaint was made;
- A statement of what you would consider reasonable and satisfactory redress; and
- The action intended if satisfactory redress is not obtained.<sup>3</sup>

Your letter will also be much more effective and receive quicker attention if

- Copies of relevant documents such as guarantees and sales slips are included;
- The letter indicates that carbon copies are also being sent to the appropriate regulatory agencies<sup>4</sup>; and
- The tone of the letter is firm, calm, and non-apologetic (although some believe that angry letters get quicker and more favorable action).

Be sure to keep a copy of all correspondence and the original relevant documents. If you send the letter by certified mail with a return receipt requested, you will be able to prove that the letter was received by the company and that they were informed of the problem. If the company does nothing to alleviate the problem and claims no knowledge of it, this sort of proof could be very helpful.

It is reasonable to expect that an acknowledgement of your complaint should be made by the manufacturer within three weeks. If no reply is received after that period of time, the concerned consumer should send another copy of the original letter and documents, as well as a cover letter stating that this is the second notice. If no reply is received after another three weeks, other avenues should be considered.

## Public Remedies

### Government Agencies

There are a number of state and federal agencies with offices in Missouri which may be of assistance in resolving consumer complaints. To act upon the complaint, they 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.

The federal agencies do not have the manpower nor

the necessary resources to resolve individual consumer complaints. However, if enough consumers notify them about the same problem, they may be able to institute an investigation and halt the improper business practices.

### Complaint Handling Government Agencies in Missouri

#### *State Agencies*

Office of the Attorney General of Missouri  
Consumer Protection Division, P.O. Box 899  
Jefferson City, MO 65101  
314-751-3321 or 800-392-8222 (hotline)

Enforces state consumer protection laws; hotline will handle consumer complaints.

Missouri Dept. of Consumer Affairs, Regulation, and Licensing, P.O. Box 1157  
Jefferson City, MO 65101  
314-751-4996

Handles all types of consumer complaints; refers selected complaints requiring legal action to the Attorney General.

Missouri Division of Insurance  
Consumer-Market Section  
P.O. Box 690  
Jefferson City, MO 65101

Handles consumer complaints on insurance matters.

Missouri Division of Professional Registration  
P.O. Box 1335  
Jefferson City, MO 65101  
314-751-2334

Handles consumer complaints concerning the services of professional people who must hold licenses to practice.

#### *Federal Agencies Serving the Missouri Area*

Federal Trade Commission  
Chicago Regional Office  
55 East Monroe Street  
Chicago, IL 60603  
312-353-4423

Notify if encountering deceptive trade practices.

Food and Drug Administration  
1114 Market Street  
St. Louis, MO 63101  
314-425-4137

or  
1009 Cherry Street  
Kansas City, MO 64106  
816-374-5623

Notify if encountering problems with impure or unsafe foods, drugs, or cosmetics.

Consumer Product Safety Commission  
1125 Grand  
Kansas City, MO 64106  
816-374-2034

Notify if encountering problems with dangerous or unsafe products.

## Private Remedies

### Legal Redress

If monetary restitution is desired and the amount is less than \$500, it is possible to sue for satisfaction in the Small Claims Court. For a small filing fee, the case is heard before a judge who will usually give an immediate judgment. Lawyers are not needed with proceedings less formal than regular court sessions. For details on filing a claim, contact the local Magistrate Court.

If larger amounts of money are involved, one may file a civil suit against the retailer or manufacturer. It will be necessary to hire a lawyer, and the process will be more costly and time-consuming than a small claims hearing. If you cannot afford a lawyer and meet certain economic qualifications, he/she may be eligible for legal aid. For information, contact a government-funded legal office or the local Legal Aid Society.

### 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.

### 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. A national settlement rate of 75 percent is claimed,<sup>5</sup> although it is not known how many consumers were satisfied with the settlement. There are three BBBs located in Missouri. The one located nearest to the seller should be contacted.

Better Business Bureau of Greater St. Louis, Inc.  
915 Olive Street  
St. Louis, MO 63101  
314-241-3100  
or

Better Business Bureau of Kansas City, Inc.  
906 Grand Avenue  
Kansas City, MO 64106  
or

Better Business Bureau of Southwest Missouri, Inc.  
P.O. Box 4331  
Glenstone Station  
Springfield, MO 65804  
417-862-9231

Handles consumer complaints on specific local business practices.

People living in smaller communities without easy access to a BBB might consider contacting the local Chamber of Commerce or Retail Merchants Association. These organizations sometimes perform similar functions.

### Industry Associations

The past few years have seen remarkable growth in the 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.

## 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** 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.

**Fair Credit Billing** If a billing error has been made by a credit card company, the consumer may withhold payment 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 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.

### Personal Cost Vs. Public Service

If the problem is not resolved at the local level, time, energy, and usually some out-of-pocket expenses will be the costs of satisfaction. It may be that these costs outweigh the damages, making it uneconomical to pursue the redress. This, plus the frustration which frequently accompanies the redress-seeking process, causes many consumers to abandon their legitimate claims to fair and adequate compensation.

Unfortunately, the fewer consumers who demand legitimate redress, the less responsive seller complaint handling mechanisms become. Those who persistently pursue their claims can be considered to perform a public service for both the business and consumer communities. Those businesses which are sincerely interested in producing and selling quality goods and services should appreciate information that will enable them to identify

and correct problems in either their manufacturing or selling practices.

Consumer insistence on satisfaction of reasonable complaints will have beneficial impacts upon the market. If a business responds positively to consumer demand, consumers will tend to buy more from that seller, causing an increase in both business profits and consumer satisfaction. Effective consumer action and business responsiveness can assure that legitimate complaints be successfully resolved without undue costs in time, energy, emotions, and money.

### Footnotes

1. "Consumerism at the Crossroads" conducted for Sentry Insurance by Marketing Sciences Institute, 1977.
2. *Help: The Useful Almanac*. Washington, D.C.: Consumer News, Inc., 1977, p. 31.
3. Rosenbloom, Joseph. *Consumer Complaint Guide*, New York: Macmillan Publishing Company, 1975, pp. 45-47.
4. *Ibid.*
5. *Help: The Useful Almanac*. Op. cit. p. 70.

### Business- and Industry- Supported Consumer Complaint Services

Product or Service	Organization	Consumer Services
Advertising (National)	National Advertising Review Board 850 Third Avenue New York, NY	Will handle and investigate complaints about truth and accuracy of national advertising. If complaint is justified, company will be asked to drop ad; most requests are honored.
Advertising (Direct Mail)	Direct Mail/Marketing Assn. Consumer Relations 6 East 43rd New York, NY 10017 212-689-4977	Sponsors Mail Order Action Line for resolving consumer complaints arising from shopping by mail, which are not resolved at the company level.
Apparel	American Apparel Mfr. Assn. 1611 N. Kent Street Arlington, VA 22209	Will handle consumer complaints if not resolved at retail level. Consumer must provide name and address of clothing manufacturer.
Appliances (Major)	Major Appliance Consumer Action Panel (MACAP) 20 N. Wacker Drive Chicago, ILL 60606 312-236-3165 (call collect)	After consumers have complained to retailers and manufacturers and not received satisfaction, MACAP will review the complaint and recommend a solution.
Automobiles	Manager of Consumer Affairs National Auto Dealers Assn. 1640 Westpark Drive McLean, VA	Handles complaints about franchised automobile dealers if complaint is not resolved at dealer level; will not handle legal actions or complaints against manufacturers.
Bulk Meat	American Association of Meat Processors 224 High Street Elizabethtown, PA 17022 717-367-1168	Will help resolve complaints arising from bulk meat sales from freezer-locker dealers—especially bait and switch advertising. Works closely with state federal investigators.

Carpets & Rugs	Carpet & Rug Industry Consumer Advisory Panel (CRICAP) P.O. Box 1568 Dalton, GA 30720	Forwards complaints about carpets and rugs to appropriate individuals if not resolved at the local level.
Credit	Coordinator, Consumer Affairs Center National Consumer Finance Assn. 1000 16th Street, N.W. Washington, D.C. 20036 202-638-1340	Provides answers about, and takes action on, all matters concerning consumer installment credit industry.
Debt Collection	American Collectors Assn., Inc. 4040 W. 70th Street Box 35106 Minneapolis, MINN 55435 612-926-6547	Will help resolve complaints about excessive harassment or other unfair practices by debt collection agencies. If complaint is justified, takes action against member; moral persuasion may be applied against non-members.
Door-to Door Selling	Direct Selling Association 1703 M Street, N.W. Washington, D.C.	Will deal with members who violate its strict code of ethics concerning selling and advertising practices.
Electronic Equipment	Director of Consumer Affairs Electronic Industries Assn. 2001 I Street, N.W. Washington, D.C. 20006 202-659-2200	Complaints are forwarded to corporate personnel who can initiate action; complaints are followed by EIA until case is concluded.
Electronic Equipment Repairs	National Alliance of Television Electronic Service Assns. 5908 S. Troy Street Chicago, ILL 60629	Handles complaints about repair services on TV sets, radios, and other consumer electronic products.
Furniture	Furniture Industry Consumer Action Panel (FICAP) P.O. Box 951 High Point, NC 27261	Will mediate complaints between consumers and manufacturers and render an advisory opinion. Will attempt to work with non-member manufacturers, too.
Jewelry	Jewelers Vigilance Committee, Inc. 919 Third Avenue New York, NY 10022 212-753-1304	Will handle consumer complaints including unfair competition and deceptive practices. Works closely with state consumer protection agencies.
Magazines	Magazine Publishers Association Circulation Department Magazine Center 575 Lexington Avenue New York, NY 10022	Accepts complaints after consumer has failed to receive satisfaction from magazine agency or publisher. Also prepares list of possibly fraudulent magazine solicitors.
Photography	Photo Marketing Assn.-International Consumer Affairs Department 603 Lansing Avenue Jackson, Michigan 49202 517-783-2807	Will handle consumer complaints with a product, service, or type of film processing if not resolved at the dealer level.
Travel Agencies	American Society of Travel Agents (ASTA) 711 Fifth Avenue New York, NY 10022 212-486-0700	Acts as mediator between consumers and travel industry; rules and enforcement procedures are applicable to ASTA members. Files maintained on reliability of travel organizations as measured by registered complaints.

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