

# Consumer News & Views

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## **Should Consumers Be Worried About Target Credit Card Data Theft?**

Millions of consumers are worried that their credit card data and identity might be in jeopardy as a result of the recent Target stores data breach. Should consumers be worried? Tens of millions of shoppers' credit card data were stolen and are being sold on the black market. Hackers also took emails, phone numbers and PINs.



But there's comforting news in for consumers. Although the breach will be irritating for millions of shoppers who have to get new credit and debit cards, Target customers shouldn't lose a dime.

The reality is, Target (TGT, Fortune 500) will take the biggest hit. When fraudulent purchases are made with a credit card, the credit card companies make the customer and the bank whole. They then recover the money that was fraudulently charged by fining the merchant or raising the merchant's swipe fees.

That means consumers shouldn't worry about reports that hackers are selling the stolen credit and debit card information on the black market. Brian Krebs, the cybersecurity journalist who uncovered the Target breach, has traced the stolen data to card shops online. But if the card numbers haven't already been canceled, Target will be responsible for paying for

whatever goods were purchased with the cards after they were stolen. That might ultimately cost Target more than \$50 million, according to estimates by Gartner financial fraud analyst Avivah Litan.

What's left for customers who shopped at Target's U.S. stores between Nov. 27 and Dec. 15 is the headache of staying on guard, monitoring their bank statements and getting a new card. Target even started offering free credit monitoring and identity theft protection as an added safety measure.

Target customers should also watch for fraudster emails, letters and phone calls too. If you've ever given Target your personal details, criminals now have your contact information.

That's because hackers didn't just break into Target's point-of-sale system and collect data from magnetic stripes on 40 million payment cards. They also wormed their way into Target's massive database of 70 million customers, which included names, emails, phone numbers and addresses.

**American Consumer Council Complete Regional Office Expansion with Addition of Connecticut and Long Island Offices.** In January, the American Consumer Council (ACC) added two new regional offices in Mystic, CT and Uniondale, NY to bring its 2014 regional office expansion total to 18 offices. ACC's physical office locations now include: Beaverton, OR; Springfield, MA; Mystic, CT; St. Paul, MN; Uniondale (Long Island), NY; Silver Spring, MD; Lexington, Kentucky; Atlanta, Georgia; Little Rock, Arkansas; Phoenix, AZ; Philadelphia, PA; Salt Lake City, UT; Metairie, Louisiana; Tampa, Florida; San Antonio, Texas; and, Columbia, South Carolina.

ACC continues to operate its three national service centers in Newark, NJ; El Segundo, CA; and the Washington, D.C. area. ACC is headquartered in San Diego, California.



Over the past year, ACC has created 12 new regional offices at various locations to better serve the needs of its growing membership and support its network of 44 state consumer councils. The American Consumer Council's Washington, D.C.; Newark, NJ; Phoenix, AZ; Salt Lake City, UT; Lexington, KY; and, Los Angeles, California offices have been in operation for several years:

- The **Connecticut Consumer Council** office is located at 12 Roosevelt Avenue, Suite A, in Mystic, CT 06355 to serve members in Connecticut and Rhode Island.
- **New York Consumer Council** and ACC members in Long Island will be served at RXR Plaza, 6th Floor, Uniondale, NY 11556.
- The **Newark, NJ Regional** office located at One Gateway Center, Suite 2600-146, Newark, NJ 07102 will continue to serve members in New Jersey, New York, northeastern Pennsylvania, and parts of Connecticut.
- The **Utah Consumer Council** office will also serve ACC members in the Mountain States Region at 2150 South 1300 East, Suite 500, Salt Lake City, UT 84106
- The **Arizona Consumer Council** office will continue to serve ACC members in Arizona and parts of New Mexico at 11811 North Tatum Blvd., Suite 3031, Phoenix, AZ 85028.
- The **North Central Region** members of ACC including Minnesota, Iowa, the Dakotas and Wisconsin will be served at 445 Minnesota Street, Suite 1500, St. Paul, Minnesota, 55101.

- The **Pacific Northwest Consumer Council** office is located at 11240 SW Allen Blvd., Suite 200, Beaverton, OR 97005 and will serve members in Oregon, Washington and parts of Idaho.
- The **Massachusetts Consumer Council** office will also support ACC's New England Regional Office located at 1441 Main Street, Suite 1040, in Springfield, MA 01103.
- The **Arkansas Consumer Council** office will also serve as ACC's Southern Regional office located at 10515 W. Markham Street, West Little Rock, AR 72205.
- The **Louisiana Consumer Council** office will also host ACC's South Central Regional office located at 3900 N. Causeway Blvd., Suite 1200, Metairie, Louisiana, 70002.
- The **Philadelphia Regional Office** will serve members in eastern Pennsylvania and nearby New Jersey at 150 Monument Road, Suite 207, Bala Cynwyd, Pennsylvania, 19004.
- The **Texas Consumer Council** office will also serve as ACC's Southwest Regional office located at 9901 Interstate Highway 10 West, Suite 800, San Antonio, TX 78230.
- The **Kentucky Consumer Council** office will serve as ACC's Appalachian Regional office located in The Paragon Centre, 2333 Alexandria Drive, Lexington, KY 40504.
- The **Florida Consumer Council's** new office in Tampa will also serve as ACC's Southeastern Regional office located at 8270 Woodland Center Blvd., Tampa, FL 33614.
- The **Carolina Consumer Council**, will serve both North Carolina and South Carolina, at 1320 Main Street, Suite 300, Columbia, SC 29201.
- The **Georgia Consumer Council** will continue to serve the Greater Atlanta Region with offices located at 4555 Mansell Road, Suite 300, Alpharetta, GA, 30022.
- The **Maryland Consumer Council** office will continue to serve as ACC's Mid-Atlantic Regional office located at Metro Plaza II, 8403 Colesville Road, Suite 1100, Silver Spring, MD 20910.
- The **California Consumer Council** will continue to support ACC's Southern California Region at 400 Continental Avenue, Suite 600, El Segundo, CA 90245.

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## What are the Most complained-about credit card companies? By Blake [Ellis@blakeellis3](mailto:Ellis@blakeellis3)

Thousands of consumers are lodging complaints with the government's financial watchdog about their credit cards, and some issuers are being griped about a lot more than others.



Of the more than 25,000 credit card complaints the [Consumer Financial Protection Bureau](#) has processed between the November 2011 launch of its complaint database and last September, Capital One received the biggest share, according to new analysis from the U.S. Public Interest Research Group.

Roughly 21% of all complaints were made about Capital One, followed by 18% about Citibank, 13% for Bank of America and 13% about Chase. Capital One said that it no longer has the highest number of complaints, based on more recent data from the CFPB's complaint database, and that it remains "committed to working with our customers to resolve any issues they may have."

Based on the ratio of complaints to card purchase volume, however, GE Capital Retail garnered the highest number of grievances through September — with 88 complaints for every \$1 billion in purchase volume. Some of these complaints sparked the CFPB to take legal action last month, ordering GE Capital's medical credit card business to repay \$34.1 million to more than one million customers for misleading them into thinking they were signing up for an interest-free line of credit.

GE Capital said it disputes this finding, calling the data used "incorrect," according to spokeswoman Dori Abel. The card issuer believes a more appropriate ratio to look at is the number of complaints versus the number of accounts, and said it

received only two complaints for every 1 million accounts using that measure.

GE Capital spokeswoman Dori Abel said the PIRG findings were based on "incorrect data," and that its purchase volume is more than three times the amount PIRG used. That resulted in a "material difference in the calculations," Abel said. The actual number should be closer to 17 or 18 complaints per \$1 billion in transactions, not 88 as PIRG found, she said.

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## **ACC's *Friend of the Consumer* Award Recognizes Outstanding Businesses in 2014.**

Is your business consumer-friendly? Does your business deserve greater recognition for its service to consumers? If so, you should apply for the American Consumer Council's *Friend of the Consumer* Award.

Throughout the year, ACC presents its "*Friend of the Consumer*" Awards. This prestigious award recognizes manufacturers, retailers, and other businesses that produce or sell products in the United States that meet or exceed federally-mandated standards and are touted by consumers as "consumer friendly."



Each year, ACC awards numerous "*Friend of the Consumer*" Awards to deserving companies and organizations because they have "demonstrated a commitment to American consumers by providing a specific product or service that fosters consumer confidence and market acceptance."

To apply for the "*Friend of the Consumer*" award, complete the online application and return it to ACC with the application fee. Applicants will be notified within 5 days of receipt of their application. Thereafter, a panel of independent judges will review your application and make a formal recommendation within 25 days of receipt of your award application.

For more information, visit: <http://www.americanconsumercouncil.org/awards.asp>

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## **Green C<sup>SM</sup> Certification Accepting Applications for 2014 Spring Cycle:**

If your company or organization would like to increase its credibility with consumers, you should consider applying for the **Green C<sup>SM</sup> Certification**. Applications for the 2014 Spring cycle are now being accepted through March 31, 2014.

It's a proven fact that consumers want to do business with companies that are eco-friendly and practice Corporate Social Responsibility (CSR). The process is straight-forward and all applicants are recognized by ACC and the Green USA Institute.

All applicants complete the criteria and submit their responses to ACC's Green Consumer Council for review, assessment and feedback. Program details and the **Green C<sup>SM</sup> Certification** criteria can be viewed at ACC's website located at: <http://americanconsumercouncil.org/greenc.asp>

