

# NEWS FROM SCDCA

South Carolina Department of Consumer Affairs



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## FOR IMMEDIATE RELEASE

### Car Warranty Scams Haven't Stopped – and the Economy Makes It Worse

**Columbia, SC** – The South Carolina Department of Consumer Affairs (SCDCA) first warned consumers last August to be wary of mail or pre-recorded phone messages about car warranties expiring. These post card and telephone warnings directing consumers to call a toll-free number were scams. Consumers who called these numbers were often asked for a “down payment” before they could even get information about the warranty. In many cases, the automobile was 10, 15 years or even older. The Department was made aware of these scams by the SC Automobile Dealers Association as well as South Carolina consumers.

Now the scam has taken a treacherous turn. Con artists are attempting to align the scam with the economic downturn – something that is in the news daily. An alert Midlands consumer contacted the Department when she received a telephone call, supposedly from a marketing firm representing “the Big Three Insurance companies for car warranties,” warning that her Chrysler warranty would not be honored once Chrysler is in bankruptcy. The caller used high pressure tactics and told the consumer that she needed to purchase a new warranty. The red flag for this consumer? The car she currently owns is *not* a Chrysler.

The danger in this particular twist is that well known car manufacturers are in the news daily because of the economy. But consumers shouldn't be alarmed or pressured into purchasing an expensive “new”

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About the South Carolina Department of Consumer Affairs:

Established by the Consumer Protection code in 1974, The South Carolina Department of Consumer Affairs represents the interests of South Carolina Consumers.

Our mission is to protect consumers from inequities in the marketplace through advocacy, mediation, enforcement and education.

For more information, visit [www.scconsumer.gov](http://www.scconsumer.gov).

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warranty they may not want or need – or a phony warranty that may not even exist. Consumers having questions about their warranty should look in the owner’s manual or better yet, call their Dealer.

Red flags consumers should watch for in car warranty scams:

- Mailings that appear to come from your automobile manufacturer offering extended warranty coverage.
- Pre-recorded phone calls. Telemarketers are not supposed to use pre-recorded messages unless a live person first asks you if you want to listen to the recording.
- A live caller who insists your warranty is in peril because of the economic downturn.
- Never give out personal financial or other sensitive information like your bank account number or Social Security Number, or even your Driver’s License.
- If your car is older and the warranty expired years ago, the warning is bogus anyway.
- Always get information in writing before you agree to sign up or pay any money.

For more information on car warranty scams or other consumer issues, contact the South Carolina Department of Consumer Affairs at 803.734.4200, toll free in SC at 1.800.922.1594, or online at [www.sconsumer.gov](http://www.sconsumer.gov).

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