



GEORGIA CONSUMERS SPEAK OUT ABOUT DEALERSHIP FRAUD

Since the release of Public Citizen's report, *Rip-Off Nation: Auto Dealers' Swindling of America*, Public Citizen has been contacted by **20 consumers** who either live in Georgia or purchased their vehicle in the state. Eighteen of these people gave us permission to share their stories with law enforcement. These consumers described numerous ways that they been swindled when purchasing a vehicle.

- More than half (10) of the GA consumers secured financing through the dealership. Two of these people said that loan terms were changed without their consent. Another two were uncertain as to whether their loan terms had been changed.
- Half (9) of the GA consumers noticed undisclosed products or services on their contracts. An additional 3 said they may have had undisclosed charges, but were unsure. These hidden items included gap insurance,¹ "etch,"² and extra dealership fees.
- Four of the GA consumers were offered products or services "free of charge" and two of these people later found out that there were in fact charges for the offered items (an additional person was unsure). The 2 consumers were charged for "free" items including oil changes, road side assistance programs and floor mats.
- Three GA consumers noted that they were offered "etch" on their contracts (another 10 were unsure about whether they had been charged.) Only one of these consumers had the charge for the product described to them.
- More than one-third (7) of GA consumers took spot delivery of their vehicle, but 5 of these consumers had the terms of their contracts altered following delivery. These changes included higher monthly payments, inflated annual percentage rates on their loans, increased money required for a down payment and the financial institution providing their loans.
- Three GA consumers signed mandatory arbitration agreements. An additional 7 were not sure whether they signed them or not.
- Four GA consumers were asked to sign blank or largely blank paperwork.

IN THEIR OWN WORDS:

Thanks to jacked up interest rates, unnecessary fees and falsified documents I had to give up my car.

A consumer in Atlanta, GA, wrote:

I was charged a \$1,000 fee for just being able to get a loan. They also pulled my credit 24 times to find someone to finance me. If I had known about either problems I would not have bought the car. They gave me the keys with a good deal and contract with a normal interest rate. The dealership called me to come back in and sign a new contract that made it seem like it was a better deal even though the interest rate went up to 24%. I drove off the lot owing more than the car was worth and they told me I could refinance [but] I found out later I can't do that when I owe more than it's worth. I also only had \$500 down on the car but the paperwork says that I had \$1500. I think they added the \$1000 to the cost of the car. I do not have the car any longer, I had to have it repossessed since it was a used car the payments and repair costs became too much.

False assurances about financing are unfair.

A consumer from Marietta, GA, wrote:

We were told by the Finance Manager that the car that was being financed through the dealership was "a done deal." He also told this to our sales person. After almost three weeks and having added it to our State Farm insurance policy, we were told that the car could not be financed because of the high mileage. We have visited the dealership twice and were given the run around when we asked to speak with the general manager and for the owners contact information. [...] They have attempted to get us to purchase another vehicle at double the cost [of] the one that we thought we had purchased.

First they wear you down, then they rip you off.

A consumer in Sugar Hill, GA, wrote:

I was systematically worn down during negotiating to take my mind off of other portions of our agreement. The selling price of the vehicle was the first item resolved. By the time the last item was resolved, my value on the trade-in, the selling price had been raised without my knowledge. The changed selling price was listed on the actual contract without any prior mention and I signed the agreement without carefully reviewing. Upon calling the dealership after reviewing the papers at home, they flat denied they ever offered the initial selling price that was changed.

These added-on charges are ridiculous!

A consumer from Decatur, GA, wrote:

This dealership tries to add on the delivery AFTER the invoice price, which is already included in the invoice price. When we called them on it, they got VERY nasty and said we were trying to get away with something. We ended up leaving the dealership without the car.

¹ Gap insurance is written to cover, in the event of a theft or total loss, the balance between the cash value of the vehicle and the amount of the loan.

² "Etch" is typically is sold as an insurance program that includes an engraving of a number, often the Vehicle Identification Number (VIN), on vehicle windows to serve as an anti-theft assurance and recovery device.