



## TENNESSEE 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 **22 consumers** who either live in Tennessee or purchased their vehicle in the state and who gave us permission to share their stories with law enforcement. These consumers described numerous ways that they been swindled when purchasing a vehicle.

- A majority (16) of TN consumers secured financing through the dealership. Four of these people said that their loan terms were changed without their consent. Another 3 were uncertain as to whether their loan terms had been changed.
- Five TN consumers noticed undisclosed products or services on their contracts. An additional 13 said they may have had undisclosed charges, but were unsure. These hidden changes included altered payment terms and added-on anti-theft devices.
- Eight of the TN consumers were offered products or services "free of charge," but half (4) of these people later found out that there were in fact charges for the offered items. The four consumers were charged for "free" items including detailing, maintenance discounts and oil changes.
- Ten TN consumers said they may have been offered "etch"<sup>1</sup> on their contracts, but were unsure, and none of them had "etch" described to them.
- More than half (12) of the TN consumers took spot delivery of their vehicle, but 7 of these consumers had the terms of their contracts altered following delivery. These changes included the decrease in pay-off for a trade ins, the increase of annual percentage charged on a loan and in one case, the actual vehicle the consumer was allowed to purchase.
- Four TN consumers signed mandatory arbitration agreements. An additional 13 were not sure whether they signed them or not.
- Eight consumers were asked to sign blank or largely blank paperwork.

## **IN THEIR OWN WORDS:**

### **Wait, that's not what I wanted!**

Consumer from Decherd, TN, wrote:

[The vehicle we purchased] was not our original choice. The first vehicle was a Ford truck, the first night it sounded like it would literally explode. The next day we took it to a dealership who put it up on a rack; the vehicle had been severely wrecked. We took it back and were forced to accept another vehicle in a comparable price range (16,995) which was this Ford Explorer. There were several problems with the Explorer which did not appear until several days after taking possession of the vehicle. We purchased an extended warranty for \$1200 which proved to be absolutely worthless.

Consumer from Afton, TN, wrote:

The vehicle was still under factory warranty, and we purchased an extended warranty. After purchasing the vehicle, we learned the vehicle had been previously wrecked. The car dealership does not deny they sold us a wrecked car, instead their story is that the car, "slipped passed them." We also learned that the auto buyer for [the dealership] purchased our car at an auto auction from an auto dealership in Richlands VA. The vehicle sold at the auction without a Title. The buyer for [the dealership] purchased the vehicle without a Title. The Title number that was hand written on the Bill of sale does not match the previous owner listed on our current Title. For the past nine months we have been making monthly car payments on a car that can not be driven because it is unsafe to drive.

Consumer from Collierville, TN, wrote:

My contract called for an Explorer XLT but I have a plain explorer without the features of XLT.

### **Can they really get away with falsifying my information?**

Consumer in Rogersville, TN, wrote:

Supposedly [the] printer was not working so all papers were signed blank. Sales and manager put false items on credit application that got me a lease. Never gave me a copy of credit application. I got one from lender. According to false information, my income was double what it really was!

### **They bullied me into a deal and won't give me my trade in back!**

Consumer in Fayetteville, TN, wrote:

When I came back they said they were going to offer me less for my trade in. I then said to cancel the sale and they said it was too late because they had already sold my old car. They treated me bad and took advantage of an old woman.

Consumer from Goodlettsville, TN, wrote:

My wife and I were allowed to drive off the lot with the car and had it for almost 3 weeks. They called and said we couldn't get the loan because we couldn't get financed (even after three weeks), so we took the car back and got a used one. We had it a couple days and had to return it because it had been wrecked, the brakes didn't work, it needed a front end alignment, and numerous other problems. We then, got a third vehicle, which we had one day and the moon roofed leaked. We took it back as well, but they would not give us our vehicle we traded.

Consumer from Nashville, TN, wrote:

These guys are real bullies. They make all kinds of promises that get turned around and don't happen in the end. Like "I promise we will work to get the payment you can live with." I am paying \$432.00 a month for a CAVALIER! [...] The interest rate went from 12 percent to 14-something percent and they called me in to get another signature. I should have just left the car in their lot and walked, but the guy in finance said they had already done things to my trade in vehicle and that getting it back would be a hassle. I was basically railroaded into signing the new contract for an unfair amount.

### **They lied to me and I'm paying big time.**

Consumer from Madison, TN, wrote:

Once I was finally approved for the car, I was told I had to have full coverage insurance before I could take car. I was unable to use my own insurance company because I had canceled my auto insurance after my previous car broke down a few months before. Dealership offered to set me up with some agencies they dealt with. [...] They called the [insurance] agent and set it up, and I went to Finance to sign a million papers. I had told them I didn't want to pay more than \$240 a month. When I got back there and started signing papers (after over 3 hours of waiting to get approved) I found out the payments are over \$350 a month at 20% interest. My \$12000 car was going to cost me \$25000 if paid on time. I didn't actually see that until I got home. I thought I'd just try to make the best of it, knowing that if I made regular payments, my credit would improve and I could get a better deal next time. Two weeks after I bought car, I was hit by another driver on highway and knocked into oncoming traffic and hit two more times and went in a ditch. [The car was] totaled. I called insurance agent next morning, to find out I didn't have insurance because dealership never signed me up. Dealership said "oops, sorry - we screwed up," but did nothing to offer to make it right or to help me.

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<sup>1</sup> "Etch" is typically 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.