Dell Agrees To Refund Consumers Under Settlement With 34 States

On Monday, Washington State Attorney General Rob McKenna announced an agreement between the Attorneys General of 34 states and Dell under which Dell will provide restitution to customers who experienced problems with the company's financing promotions, rebate offers, technical support and repair policies.

"It's time for a reboot of Dell's customer service system," McKenna said. "Our agreement requires disclosures to prevent future communication breakdowns and ensures that customers who are owed money are promptly paid."

Under the agreement, Texas-based Dell, Inc., and its subsidiary, Dell Financial Services, LLC, admit no wrongdoing but agree to pay $1.5 million in restitution to eligible consumers who file claims postmarked by April 13, 2009. Dell cooperated fully with the attorneys general during their investigation.

Dell will pay an additional $1.85 million to the states for reimbursement of legal costs and other expenses. Washington will receive $200,000 of that amount.

Assistant Attorney General Katherine Tassi of the Attorney General's Consumer Protection Division said Washington and Connecticut jointly led an investigation into Dell's sales practices after customers complained about an array issues. Some applied for zero-percent financing then were charged higher interest rates. Others had trouble obtaining warranty service on their Dell computers. Many said they never received promised rebates.

"The deals Dell made and the terms computer buyers thought they agreed to didn't always compute," Tassi said.

One consumer said she made a purchase with zero-percent financing for 18 months and made her payments on time. But the last payment was applied late. The customer was then billed $668 interest for the entire financing period.

Under the settlement, Dell agreed to the following:

FINANCING AND CREDIT OFFERS

• Disclose in advertisements for promotional credit offers that the majority of consumers who apply won't qualify for the best annual percentage rate (APR), and disclose the range of initial APRs that consumers who are not considered the "most qualified borrowers" are likely to receive.

• Inform consumers considering applying for promotional financing that the application is for a revolving open credit account, that minimum monthly payments are required and that approval of the account does not guarantee that the consumer will also qualify for conditional financing promotions (such as zero-percent interest for 90 days). Explain how finance charges are calculated, disclose any penalties and inform the consumer whether subsequent purchases made using the credit account will be subject to the same or different financing terms.

• At the time of credit acceptance, disclose whether the applicant has qualified for any conditional financing promotion.

WARRANTIES AND SERVICES

• Fulfill its warranty obligations within 30 days from the date of notification or receipt of a defective product.

• Disclose whether phone-based troubleshooting or remote diagnosis is required before Dell will provide on-site repair or warranty-related service.

REBATES

• If a rebate is available, provide the necessary rebate documentation at the time product is delivered or the service is provided

• Mail rebates within the specified timeframe, or within 30 days if no date is specified.

ADDITIONAL PROCEDURES AND POLICIES

Implement written policies to ensure compliance with the settlement, including procedures that address issues such as:

• Informing consumers of their right to cancel orders made with the Dell Credit Account within three days after receiving final credit approval and the written terms and conditions.

• Communication between Dell and Dell Financial Services when a consumer returns a product purchased with credit.

• Removing consumer accounts from collection agencies and providing accurate information to credit-reporting bureaus.

• Substantiate any claims Dell makes about the quality of its customer service. Dell can use the term "award-winning" to describe its customer service only if the company received such an award within the past 18 months.

The following states participated in the settlement: Arizona, Arkansas, California, Connecticut, Delaware, Florida, Illinois, Iowa, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Utah, Washington, West Virginia, Vermont, and Wisconsin.

CONSUMER REFUND REQUESTS:

It's not yet known how many consumers in Washington or nationwide may be entitled to refunds under the settlement. Consumers may be eligible for restitution if 1) They have a valid complaint concerning a product that was purchased between April 1, 2005, and April 13, 2009, and is addressed by the agreement and 2) Dell owes them money.

Washington residents who haven't submitted complaints but believe they are eligible for refunds should make a request by downloading a claim format www.atg.wa.gov/settlement spx Consumers can also call 1-800-551-4636 between 10 a.m. and 3 p.m. weekdays to request a form by mail. The deadline to submit claims is April 13, 2009.

Eligible consumers who previously filed complaints with the Attorney General's Office on or after April 1, 2005, will be mailed claim forms. If you believe you are eligible and do not receive a claim form within two weeks of today's date, download one from our website or contact the Attorney General's Office for a claim form.

Consumers in other participating states should contact their Attorney General's Office.

The amount of money issued to individual consumers depends on the number of eligible recipients and the total amount claimed.

Switch From Analog To Digital - Only TV Impacts Less Fortunate

By Dorothy Rowley
Special to the NNPA from the Afro-American Newspapers

WASHINGTON (NNPA) - For people who rely on ''rabbit ears'' or antennas to watch their favorite TV programs, time is running out—particularly in communities of color and for people living on fixed incomes as they are appearing to be the least prepared when the country converts next month from analog to digital-only broadcasting.

But the Feb.17 conversion, touted on one hand as the nation's biggest changeover since the introduction of decimal currency, has been criticized as a public sham.

A current Black Agenda Report (BAR) claims not only did the public not have a say in the matter, but also the conversion is but a mere opportunity for big media corporations to engage in a monopoly.

BAR also says that with a value of $80 billion, the 5,000 new channels that accompany the conversion will become the ''quasi property'' of the same corporations that already hold the licenses for all of American TV.

''Corporate media and their accomplices at the Federal Communications Commission may have pulled off the biggest public rip off since Congress conspired to grant millions of acres to the railroad barons,'' the report states.

Nonetheless, the switch is slated to spawn significant improvements in TV viewing that include better picture quality and sound while making more space available on the airways for public safety communications.

At the same time, the change could signal a setback for millions of individuals and families who - unable to afford cable television - have become accustomed to their rooftop antennas.

Those who fail to convert in time will not be able to get a picture on their TVs and may have to purchase a converter box or an updated set.

As a result, the Leadership Conference on Civil Rights (LCCR) believes the transition, in which all TV stations in the country have been federally mandated to discontinue use of their analog systems, will bring about an even wider divide between the "haves" and "have nots."

Especially, observers note, when it was largely the votes of the latter that helped President-elect Barack Obama get to the White House. They contend that those among them without digital service will probably not keep track of his progress.

A study conducted this past fall by the Nielson Company showed that 12.5 percent of African American households and 13 percent of Hispanic households that were using analog TVs were not ready for the digital conversion.

The study also found that households with annual incomes of $25,000 or less were five times more likely to be unprepared for the conversion than households earning more than $75,000.

Further, if the required digital TV programming would go into effect today, Nielson noted that some 12.6 million households would have at least one TV that would no longer work.

Additionally, a consumer survey released after the Nielsen report stated that millions of people remained confused about how to prepare for the transition. According to the Web site TgDaily.com, to address their concerns and make the issue clear, many TV stations are launching preview tests that will occur during normal news and prime time programming.

During the test, if the TV goes to snow or shows no signal, a converter box will be needed.

LCCR says that to that end, it's also crucial for public officials as well as corporate and community officials to join forces and inform people with analog sets how and where they can obtain converter boxes.

Depending on the television, converter boxes cost between $40 and $70.

The government however, is sponsoring a conversion assistance program in which households can receive two $40 coupons for the purchase of converter boxes. For more information, visit www.dtv2009.gov or call 1-888-388-2009.